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S. HRG. 99-366

NOMINATION OF TERENCE C. GOLDEN

COMPLETED
124
ORIGINAL

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

NOMINATION OF TERENCE C. GOLDEN, TO BE ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

JUNE 19, 1985

Printed for the use of the Committee on Governmental Affairs

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NOMINATION OF TERENCE C. GOLDEN

WEDNESDAY, JUNE 19, 1985

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The committee met at 10:06 a.m., in room SD-342, Dirksen Senate Office Building, Hon. William V. Roth, Jr. (chairman) presiding.

Present: Senators Roth, Eagleton, Levin, Glenn, and Gore.

OPENING STATEMENT OF CHAIRMAN ROTH

Chairman ROTH. The committee will please come to order. This morning, we are holding a hearing to consider the nomination of Terence Golden to be the Administrator of the General Services Administration.

Since its creation in 1949, GSA has provided a wide variety of management-related services for Federal departments and agencies. It provides centralized procurement for the millions of items necessary to keep the Government operating. It is also responsible for real property operations, including construction, acquisition, leasing, management, maintenance, alteration, protection, and control of space.

For many months now, the agency has been without a confirmed Administrator, and while the Acting Administrator, Mr. Dwight Ink, is doing an excellent job, GSA is in need of a leader to move the agency forward. It is important that this new Administrator have the vision and the courage to make the changes necessary to reduce the cost of Government and at the same time improve the delivery of goods and services.

Mr. Golden, I am pleased to say you come highly recommended for this position, and I would like to welcome you and your family. I would invite Kathleen and Matthew to stand. We want to thank them for being here today.

Thank you very much. It is nice to have the young man. I know this is an important day to you and your family.

Committee rules require that the committee conduct an inquiry into a nominee's experience, qualifications, suitability, and integrity to serve in the position for which he or she has been nominated.

Very briefly, I will recount for the record the steps that the committee has taken on this nomination prior to our hearing today.

First, Mr. Golden has been asked for and supplied financial statements and detailed information on education, employment, and professional achievements. He has also responded in writing to a number of prehearing questions. Copies of the biographical infor-

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mation and the prehearing questions will be placed in the record as a part of this hearing and are available on request.[1] The financial statements are available for inspection by the public in the committee office.

The committee viewed the nominee's biographical and financial information, as well as reports submitted by the Office of Government Ethics and GSA ethics officials. Following that, acting as the chairman of the committee, I reviewed the FBI report prepared on Mr. Golden, which has also been reviewed by our ranking minority member, Senator Eagleton.

Senator Eagleton, would you care to give an opening statement at this time?

OPENING STATEMENT OF SENATOR EAGLETON

Senator EAGLETON. Yes. Thank you, Mr. Chairman. I welcome Mr. Golden and his family here today and thank them for their patience and cooperation during the lengthy review our committee has given this particular nomination. I am personally confident that the committee has conducted a fair and thorough investigation into this nominee's background and qualifications, and I am pleased that we can now move forward with the nomination.

Before proceeding, however, I believe that some short comments are in order about why this nomination has been of such particular concern. Briefly, Mr. Chairman, we have before us a nominee for the head of the General Services Administration, which is, as you pointed out, the Government's real property agency, a man who has extensive, firsthand, and extremely successful experience in real estate: real estate development; real estate financing; real estate construction; real estate marketing; real estate sales.

To the best of my recollection, this is the first time that GSA has been so blessed. The agency will be getting an Administrator who immediately understands what at least half of GSA is about: Real property.

On the other hand, the very existence of Mr. Golden's successful real estate background raises a scepter of potential conflict of interest which the committee cannot ignore and for which there is no obvious or foolproof solution. The traditional methods of dealing with potential financial conflicts of interest, such as divestiture, qualified blind trusts, qualified diversified trusts and waiver, et cetera, simply do not apply or work in this case. I think the hearing this morning will make amply clear why that is so.

As a result, however, the committee, the Office of Government Ethics, the Ethics Office of GSA, the White House, and Mr. Golden have had to agree to rely on the last traditional method of conflict of interest protection, that is, recusal, as the only protection in this case. The hearing this morning will detail how recusal in Mr. Golden's case will operate.

Mr. Chairman, I hope this will prove sufficient. I personally have struggled with this, as I know that you have and, indeed, Mr. Golden has. I admit that I now go forward with what I consider a unique and unprecedented situation because I have been deeply im-

[1] See p. 10.

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pressed with Mr. Golden's honesty, straightforwardness, and obvious abilities. The General Services Administration, as you pointed out, Mr. Chairman, has been without a confirmed Administrator for 16 months. That rudderless agency needs a strong arm at its tiller, and I believe Mr. Golden will provide that leadership. I caution him, however, to be more than fully aware of all potential and perceived conflicts of interest, and I wish him well.

Chairman ROTH. Thank you, Senator Eagleton.

Senator Gore?

OPENING STATEMENT OF SENATOR GORE

Senator GORE. Mr. Chairman, I will put most of this statement in the record, because it duplicates many of the thoughts just expressed by Senator Eagleton. But let me say, in addition, that the dilemma posed by this nomination, someone who is obviously capable yet with extensive real estate involvements throughout the country, the answer to the dilemma is to build a very careful record at this hearing.

I personally have given this nomination very serious scrutiny, and the committee as a whole has given the nomination an extraordinarily detailed and very competent review. I think the committee staff is to be commended for the tremendous amount of work done and quality work done on this matter.

I believe that during this hearing, we should question the nominee a little more closely than usual about the mechanisms proposed to avoid a conflict of interest. I personally believe that a conflict can be avoided, but heightening the sensitivity to the need for special care given the range of potential conflicts presented here is absolutely essential.

I am hopeful that in assuming the unusual risks of this nomination Mr. Golden will, in fact, prove to be a very effective manager of this agency, which is so sorely in need of a topflight chief executive.

I will put the rest of this in the record.

[Senator Gore's prepared statement follows:]

PREPARED STATEMENT OF SENATOR GORE

Thank you, Mr. Chairman.

Mr. Chairman, this nomination has presented this committee with an unusually complex dilemma.

The nominee before us has control over an enormously complex personal business enterprise. Moreover, since Mr. Golden's business dealings are almost solely in real property, the fact that he has been nominated to be the federal government's chief real estate manager would present us with a situation that has a vast potential for conflict of interest. While Mr. Golden has offered a number of mechanisms that will attempt to insulate his official dealings with former business associates. It is still a troubling situation. Moreover, although I am new to the process of confirmation, I understand that this will be one of the few cases in which an individual has not been required to divest his holdings, nor to put it in a blind trust wherein he would not maintain any control over his assets.

At the same time, this nominee also raises a question of whether or not we run the risk of excluding highly capable people from government service by being overly stringent and onerous in our requirements of presidential nominees. Mr. Golden's enterprises have not only been complex; they have been highly successful, and it is quite possible that the government and the taxpayers could benefit enormously from Mr. Golden's obvious skill and talent.

The answer to this dilemma would seem to me to build a careful record at this hearing. I know that personally I have given Mr. Golden's nomination serious scru-

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tiny and the committee as a whole has given his nomination an extraordinarily detailed and competent review. I believe, Mr. Chairman, that we should question Mr. Golden closely about the mechanisms he proposes to avoid a conflict of interest, about the way in which his enterprises will be managed during his tenure at the General Services Administration, and about the existing ties between the GSA and the Trammel Crow Corporation.

Moreover, Mr. Chairman, as Ranking Minority Member of the Subcommittee with jurisdiction over the GSA, I intend to convince Mr. Golden that this committee will maintain some vigilant oversight over his agency, and will not hesitate to criticize even the appearance of impropriety.

However, I am hopeful that in assuming the risks of this nomination, Mr. Golden will prove to be an effective manager of this agency, which many would agree is sorely in need of a top flight chief executive.

Chairman ROTH. Thank you, Senator Gore.

Senator Glenn?

OPENING STATEMENT OF SENATOR GLENN

Senator GLENN. Thank you, Mr. Chairman, I just have some short remarks. Mr. Golden, I do apologize because I have another committee meeting to go to. I think what you are guilty of so far is basic success in a free enterprise system. I compliment you on your achievements. You have a very diverse background and one that I think can be put to excellent use at GSA.

You are probably coming into the toughest part of the attention right now. It will be trial by press. You will be looked at in excruciating detail every time you move a finger over there because of your own extensive business background and I'm sure you are very much aware of that.

While I think the committee has been absolutely correct in looking into every aspect of your background, which is the subject of the hearing today and involves what necessary arrangmeents need to be made, we are indeed fortunate to have a man of your educational background and business experience come before us.

I am personally glad to see people of your distinguished background be willing to serve in Government and to go through the trial by press and some of the other things that we go through every day here on Capitol Hill. I am glad to see you moving into this position.

At the same time, I would echo similar concerns that both Senator Eagleton and Senator Gore have expressed here: That any indication of any conflict of interest is obviously going to be looked at, not just by the press, but by this committee and by the public, and you are very much aware of that, and I am certain that you will make every effort to ensure that this possibility will not arise once you are in that job.

So I am glad to be here today to welcome you to the committee here and hope that everything turns out well for you today, because you do have a background that I think can be tremendously valuable so long as we don't get into any conflict of interest.

I know from experience the complex relationships involved in managing partnerships, general partnerships, and limited partnerships are very difficult to resolve.

I have been involved more in some limited partnerships in my past history. I know some of the difficulties associated with this relationship. It is even more difficult if you are a managing partner or a general partner. So I appreciate the position that you are in. I

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am sure that you will take every action to make certain that there is no conflict of interest. I am glad to be here today and welcome you to the committee.

Thank you, Mr. Chairman.

Chairman ROTH. Thank you, Senator Glenn.

I know that Lloyd Bentsen very much wanted to be here today, but unfortunately, has a conflict. But he has submitted a strong statement of support which will be entered as part of the record.

[Senator Bentsen's prepared statement follows:]

PREPARED STATEMENT OF SENATOR LLOYD BENTSEN

Mr. Chairman and Members of the Committee: I am pleased to recommend for your approval as Administrator of the General Services Administration a man with extensive management experience and business skills—Terence C. Golden of Dallas, Texas.

Mr. Golden brings to this demanding position a broad educational background and diverse practical experience. He received a Bachelor of Science in Mechanical Engineering from Notre Dame in 1966 and then obtained a Master of Science degree in Nuclear Engineering from the Massachusetts Institute of Technology. He supplemented his strong scientific background with a Master of Business Administration from the Harvard Graduate School of Business Administration in 1970.

Terry Golden first held management positions in the nuclear energy division of Babcock & Wilcox Company. In the mid-1970s he was President, Chairman of the Board and largest shareholder of a real estate and resort operating company in Puerto Rico, the Palmas del Mar Company.

Since 1976, he has been associated with the Trammell Crow Residential Companies in Dallas, where he was a managing partner responsible for a wide range of activities, from land development and housing construction to mortgage and investment banking. In 1984 he became the assistant secretary for administration in the Department of the Treasury.

Terry Golden's special combination of technical knowledge and diverse managerial skills make him especially suited to administer the General Services Administration.

As a member of the Environment and Public Works Committee, I hope that Mr. Golden will actively support the public buildings reform legislation which three times has passed the Senate, only to languish in the House. I am sure that that Committee shares with this one a keen interest in following Mr. Golden's efforts to institute much needed reforms in the management of GSA.

With your support, Terry Golden will have an opportunity to strengthen that important agency by bringing to it his unique personal skills and broad experience. After the lengthy review given his nomination prior to this hearing, I hope that the Committee will now decide to act promptly and favorably on his confirmation.

Chairman ROTH. We are, however, very pleased to have Phil Gramm, the junior Senator from Texas, here to introduce Mr. Golden.

Senator Gramm?

TESTIMONY OF SENATOR PHIL GRAMM, U.S. SENATOR FROM THE STATE OF TEXAS

Senator GRAMM. Thank you, Mr. Chairman. I am happy to be here today to introduce my fellow Texan, Terry Golden. I have strongly supported this appointment. I have supported it because I thought we needed to bring a new, efficient business-oriented leadership to GSA. I think Terry Golden can do that.

I think basically, our problem in the past has been trying to get people who can bring business expertise to a job like this, but people who, at the same time they have the business expertise, the know-how in the private sector, have also had some experience in

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Government, and I think in this case, we have a very happy combination of experiences.

We have a man who is a proven effective businessman, a man who has been successful in the private sector in exactly the areas in which GSA operates. We have a broad range of experience that can be brought to bear on the problems of running GSA like a business and seeing that the Federal taxpayer gets his money's worth in running what is basically the largest real estate warehousing business in the world.

But second, we have got a person who has been in a leadership position in Government; who has worked as an Assistant Secretary in the Department of the Treasury, has been an effective leader there in instituting business and efficiency practices that have greatly improved that agency.

Finally, echoing what our colleague, Senator Glenn, has said, I am proud that in this case, we have got somebody who clearly can make a lot more money in the private sector; could exercise a lot more freedom; could protect themselves from 1,001 charges that can and will be made, but has given up a very successful lucrative business to come and serve the country.

I have been concerned, as we have had greater criticism and scrutiny—and some of it justified—of public officials, that we were setting up so many roadblocks to quality individuals to serve in the Government that we might see a time when we would have difficulty getting those people.

I think in the case of Terry Golden we have got somebody who has the ability we want; who has a proven record in both the public and the private sector, and I am proud to be here as a Senator representing the State that Terry is from to recommend him very strongly to you.

Chairman ROTH. Thank you very much for being here today, Senator Gramm. You are more than welcome to stay during the proceeding, but if you have other pressing business, please be excused.

Mr. Golden, under our committee rules, all nominees must give their testimony under oath. Will you please stand and raise your right hand?

Do you solemnly swear to tell the truth, the whole truth and nothing but the truth, so help you God?

Mr. GOLDEN. I do.

Chairman ROTH. Thank you, Mr. Golden. Please be seated.

At this time, if you have a prepared statement, please proceed.

TESTIMONY OF TERENCE C. GOLDEN, NOMINEE TO BE ADMINISTRATOR OF THE GENERAL SERVICES ADMINISTRATION

Mr. GOLDEN. I am pleased and honored to be before this committee, and I am also very much honored to be considered for the position of the Administrator of the GSA. I would also like to express my appreciation to Senator Gramm for taking time away from his busy schedule to meet me, and I also very much appreciate your introducing my wife and my son Matthew before this hearing.

Last night when I visited with Matthew and explained to him what was going to happen today, he told me that he would be

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happy to answer any questions that I wasn't able to answer. [Laughter.]

He told me, I will just tell you, though, that his course in American history only went through the first World War so that the questions have to be prior to that period. In a way, I feel like I am about equally prepared as he. [Laughter.]

Mr. Chairman, with your permission, I would like to submit my opening statement for the record. I am prepared here to answer any questions that you might have.

[Mr. Golden's prepared statement, biographical information, responses to prehearing questions, and responses to written questions submitted by Senators Eagleton, Gore, and Stafford follow:]

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TESTIMONY OF TERENCE C. GOLDEN
ADMINISTRATOR-DESIGNATE
GENERAL SERVICES ADMINISTRATION
BEFORE THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE

Mr. Chairman and Members of the Committee:

Good Morning. I am honored to appear before this Committee as it considers my nomination as Administrator of the General Services Administration.

The General Services Administration is here to serve the American People. It is of service only when it provides needed services at the lowest possible cost to the taxpayer.

While waiting for this hearing, I had the opportunity to visit with many of the Assistant Secretaries for Management of the major agencies served by the General Services Administration. In general, I was told that GSA has made significant progress in the last several years, and that overall, they were satisfied with the work of the agency. For an agency that garners so much poor publicity in the press, this information was most welcome.

I was heartened to receive this report, and I believe the employees of GSA, had they been with me, would have felt a sense of satisfaction in hearing these words.

I firmly believe that any organization, whether it be a private company or a government agency, is only as effective as the employees who comprise it. In any environment, but particularly in our current era of fiscal restraint, it is extremely important that Federal managers pay the closest attention to the resource that is the most critical to fulfilling their responsibilities -- their employees.

I plan to encourage General Services employees to work together as a team, to cooperate and to be supportive of one another with one common objective in mind -- the best possible service to the American taxpayer.

I would like to see improved cooperation between the General Services Administration and other federal agencies. I am very impressed by the fact that last year, GSA held a conference in Leesburg, Virginia, so that they could better identify and understand customer agency needs and concerns. I intend to continue this positive trend. This cooperation and support is essential to meeting agency goals.

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I submitted answers to your questions, which covered in some detail, most of the major policy issues within GSA. I would like to summarize what I think are the most important issues:

-- Continued strong emphasis should be given to reducing government space. Over the next five years, the Federal government should move from 160 square feet per person to approximately 135 square feet per person. A space reduction policy such as this could significantly reduce overall leased space, and thereby reduce the cost of government.

-- We should re-evaluate our policies concerning leased space, and only lease space when it is economically worthwile over the long term. Our focus should be on providing space for government at the lowest possible cost.

-- GSA should be procuring goods and services for government only in those areas where there is clearly a cost advantage to do so. I strongly believe we must rely on competition and on sound business practices to provide us with the best possible price.

-- Further, I intend to evaluate our policy of acquiring automated information systems within the government. We must take advantage of the efficiencies technology offers to meet our cost-cutting goals. Too often in the past, because of the cumbersome budget and procuring processes, technology has been brought into the government that is outdated before it is put into use. I support the recently enacted Competition in Contracting law which should lead to lower cost and a more efficient government.

I look forward to working closely with you in pursuing these goals. During my first year in government, perhaps the greatest lesson I learned was the importance of close cooperation between the Executive Branch and the Congress. If my selection meets with your approval, then I would like to work with you in making the General Services Administration a better agency in service to this Nation. If we are to succeed, we must unite in a non-partisan effort to make government more efficient.

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BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION:

1. Name: (Include any former names used.)

   Terence C. Golden

2. Position to which nominated:

   Administrator, General Services Administration

3. Date of Nomination:

4. Address: (List current place of residence and office addresses.)

   Residence: 2442 Belmont Road, NW, Washington, D.C. 20008

   Office: Department of the Treasury
   Room 3442
   15th & Pennsylvania Avenues, NW
   Washington, D.C. 20220

5. Date and Place of Birth:

   August 1, 1944 in Honesdale, Pennsylvania

6. Marital Status: (Include maiden name of wife or husband's name.)

   Married to: Kathleen Skopec Golden

7. Names and ages of children:

   Ryan Christopher Golden, age 13
   Matthew Bailey Golden, age 10

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8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

A. Jesuit College Preparatory School, Dallas, Texas. 1958-1962, Graduated in 1962

B. University of Notre Dame, Notre Dame, Indiana. 1962-1966, B.S. in Mechanical Engineering (nuclear option), June 1966. Cum Laude.

C. Massachusetts Institute of Technology, Boston, Massachusetts. 1966-1967, M.S. in Nuclear Engineering, August 1967.

D. Harvard Graduate School of Business Administration, Boston, Massachusetts. 1968-1970, M.B.A. in June, 1970.

9. Employment record: List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.

See Attachment I

10. Government Experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

1984-Present Assistant Secretary of the Treasury for Administration

11. Business Relationships: List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, form, partnership, or other business enterprise, educational or other institution.

Except where specifically noted, I was a partner or officer and director in all of the business entities listed in Attachment I and II.

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12. Memberships: List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

See Attachment III

13. Political affiliations and activities:

(a) List all officies with a political party which you have held or any public office for which you have been a candidate.

None

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Sponsor of GOP Victory Fund, 1983.
Republican National Committee 500 Club, 1983

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 10 years.

See Attachment IV

14. Honors and awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.

Atomic Energy Commission Fellowship

Tau Beta Pi (national honorary engineering fraternity)

Pi Tau Sigma (national honorary mechanical engineering fraternity)

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15. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last five years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I am a strong supporter of the President and his Administration. I am dedicated to making government work more efficiently.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

For the past year I have been the Assistant Secretary of the Treasury for Administration. In that capacity, I have been responsible for the administation of one of the largest and most diverse departments within the Federal Government.

I believe that the educational, business and civic experience that I have had, as described in this report, qualifies me to be the Administrator of GSA.

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B. FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No.

4. Has anybody made any commitments to employ your services in any capacity after you leave government service?

No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes, at the pleasure of the President.

C. POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

I own interests in numerous real estate partnerships and corporations which I intend to continue holding while employed by the General Services Administration. I am aware of no potential conflicts of interests arising out of these holdings. See Schedule A of the Financial Disclosure report.

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2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None. See question C-1 on preceding page.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

I supported the elimination of government guarantees of tax exempt housing bonds and made both a written and an oral presentation to a Senate Subcommittee (Finance) on this subject. My presentation supported the Administration's position on this issue.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

N.A.

6. Do you agree to have written opinions provided to the Committee by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any other legal barriers to your serving in this position?

Yes.

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D. LEGAL MATTERS:

1. Have you ever been disciplined or cited for breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group?

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than minor traffic offenses?

No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

See Attachment V.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

5. Please advise the Committee of any additional information, favorable, or unfavorable, which you feel should be considered in connection with your nomination.

None.

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ATTACHMENT I

EMPLOYMENT RECORD FOR TERENCE C. GOLDEN

DATES	NAME OF EMPLOYER	POSITION
1984-Present	U.S. Treasury Department Washington, D.C. 20220	Assistant Secretary (Administration)
1976-1984	Trammell Crow Residential Company Dallas, Texas 75201	Managing Partner, Trammell Crow Residential Companies
1973-1976	Palmas del Mar Company Palmas del Mar, Puerto Rico 00661	Chairman; President; Financial Vice President; and Treasurer
	Palmas Realty Corporation Palmas del Mar, Puerto Rico 00661	Chairman and President
1971-1973	Babcock, Brown Boveri Reaktor GMBH Mannheim, Germany	Manager, Marketing and Business Planning
1970-1971	Babcock Wilcox Company, Commercial Nuclear Fuel Plant Lynchburg, Virginia 24505	Manager, Systems and Controls
1969-1970	Cambridge Research Institute Cambridge, Massachusetts	Consultant
1967-1968	General Electric Company San Jose, California	Nuclear Engineer
1966 (Summer)	Graduate Center of Southwest Dallas, Texas	Lab Assistant
1964 (Summer)	Smith Detective Agency 7203 Carpenter Parkway Dallas, Texas	Troubleshooter
1962 (Summer)	Central Distributors 5924 Royal Lane Dallas, Texas	Laborer

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From *	To
Atlanta Cumberland Corporation	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Atlanta Northlake Company	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
CPL Enterprises, Inc.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
CPL of Florida, Inc.	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Columbia Warehouse Corporation	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Creekside Development Corporation	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Cross Creek Development Company	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Crow-Dallas Development Company	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Crow, Pope & Land Construction Company	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Crow, Pope & Land Georgia Corp. #1, Inc.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Crow, Pope & Land Management Co., Inc.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Crow, Pope & Land Services, Inc.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Enterprises Realty & Mortgage Co.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Hayden Realty Corporation	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Lodge Development Corporation	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
RLT Personnel, Inc.	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
RLT Personnel, Inc. of Georgia	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Redman Warehousing Corporation	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
Southeastern Condominiums, Inc.	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
TCDC of Florida, Inc.	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
TCDC of LaPorte, Inc.	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
TCDC Realty Corporation	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
TCDC Realty Corporation of Baltimore	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
TCDC Realty Corporation of Colorado, Inc.	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
TCDC Realty Corporation of Florida	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
TCDC Realty Corporation of Houston	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
TCDC Warehouse, Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Trammell Crow Distribution Corporation	Real Estate Co./Corp.	Chairman of the Bd.	1976	3/1/84
Trammell Crow Dist. Corp. of Atlanta	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Dallas	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Denver	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Houston	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Los Angeles	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Memphis	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Utah	Real Estate Co./Corp.	Officer/Director	1976	3/1/84

* All dates are best estimate.

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Trammell Crow Dist. Corp. of Utah #2	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Dist. Corp. of Utah #3	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Trammell Crow Transportation, Inc.	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Wells Home Corp.	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Westam Distribution, Inc.	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Production Center Corp.	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
Texas Commerce Bank (Campbell Centre)	Financial	Member, Bd. of Dir.	1981	3/1/84
AOA Management Company	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
Crow, Terwilliger & Wood, Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
CTWCC, Inc.	Real Estate Co./Corp.	Officer/Director	1984	3/1/84
Crow-Terwilliger & Gafford Contractors,Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Cypress Village Development Corporation	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Fairwood Development Corporation	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
First Colony Properties	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Jupiter Oceanfront Company	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Spanish Trace Development	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Lyndhurst Development Co.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Crow-Terwilliger Company	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Crow-Terwilliger Construction Co.	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Crow-Terwilliger Partners, Inc.	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Crow, Terwilliger & Michaux, Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Crow, Terwilliger & Speicher, Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
CTS Construction Corporation	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
CTW Construction Company	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
Wood Properties	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Brookwood Hills Development Corporation	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
BWH 2 Development Corporation	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Carlisle Pines Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Castleridge Development Company	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
Cross Timbers Development Corporation	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
Crow Brighton Company	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
Crow-Dallas Development Company	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Crow-Mesquite Development Company	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Crow Mid-Cities Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Crow-North Garland Development Company	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
DeZavala Development Company	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Essex Homes Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Euless Woodlands Development Corporation	Real Estate Co./Corp.	Officer/Director	1982	3/1/84
FWC Corporation	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Garden Classics, Inc.	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Gothic Corporation	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
I-20 Arlington Development Corporation	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
I-20 Grand Prairie Development	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
Logan Development Corporation	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
Manor Development Corporation	Real Estate Co./Corp.	Officer/Director	1983	3/1/84
Mansfield Development Corporation	Real Estate Co./Corp.	Officer/Director	1978	3/1/84
Mansfield-Walnut Creek Develop. Corp.	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
McCormick Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Monaco Development Company	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Northaven Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Northwest Ft. Worth Develop. Corp.	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Penn Springs Develop. Company	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Preston Homes Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Province Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Rockwall-Stonebridge Meadows Corp.	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Seville Homes, Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Spectrum Housing Co., Inc.	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Trail Valley Development Company	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Trinity Housing Corporation	Real Estate Co./Corp.	Officer/Director	1981	3/1/84
Twenty/New York Develop. Corp.	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
Wellesley West Development Company	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
Westbury Development Corporation	Real Estate Co./Corp.	Officer/Director	1976	3/1/84
Willmont Development Corporation	Real Estate Co./Corp.	Officer/Director	1977	3/1/84
Woodfield Development Corporation	Real Estate Co./Corp.	Officer/Director	1980	3/1/84
Highpoint Homes	Real Estate Co./Corp.	Officer/Director	1979	3/1/84
Heritage Estates	Real Estate Co./Corp.	Officer/Director	1981	3/1/84

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Chasewood Partners-Carrollton Carrollton, TX	Real Estate Ptnshp.	General Partner	8/81	Present
Chasewood Ptnrs V-Austin Ltd. Austin, TX	Real Estate Ptnshp.	General Partner	1983	Present
Odessa Partners Odessa, TX	Real Estate Ptnshp.	General Partner	5/81	Present
North Dallas Mgmt Ptnrs, Ltd.	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Ptnrs Tarrant County Ft. Worth, TX	Real Estate Ptnshp.	General Partner	1982	Present
Dallas Associates I Irving, TX	Real Estate Ptnshp.	General Partner	1983	Present
Dallas Associates II Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
Pear Ridge #1	Real Estate Ptnshp.	General Partner	7/82	Present
North Dallas #1	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Ptnrs III-Austin Austin, TX	Real Estate Ptnshp.	General Partner	11/82	Present
Chasewood Ptnrs IV-Austin	Real Estate Ptnshp.	General Partner	4/83	Present
Chasewood Ptnrs Oklahoma City Oklahoma City, OK	Real Estate Ptnshp.	General Partner	4/82	Present
Haverwood Lane #1	Real Estate Ptnshp.	General Partner	9/82	Present
Chasewood Jupiter Road I Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
Heatherfield Lane #1	Real Estate Ptnshp.	General Partner	9/82	Present
Chasewood Jupiter Road III Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
Hunters Ridge #1	Real Estate Ptnshp.	General Partner	3/80	Present
Chasewood Ptnrs Thousand Oaks San Antonio, TX	Real Estate Ptnshp.	General Partner	2/82	Present
Dallas Partners-1 Ltd. N. Dallas, TX	Real Estate Ptnshp.	General Partner	10/81	Present
Chasewood Ptnrs-Arlington Arlington, TX	Real Estate Ptnshp.	General Partner	6/82	Present
Chasewood Ptnrs Fort Worth Fort Worth, TX	Real Estate Ptnshp.	General Partner	1982	Present

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Chasewood Ptnrs-Mesquite Mesquite, TX	Real Estate Ptnshp.	General Partner	5/81	Present
Chasewood Ptnrs-Austin Austin, TX	Real Estate Ptnshp.	General Partner	8/81	Present
Chasewood Ptnrs-Midland Midland, TX	Real Estate Ptnshp.	General Partner	5/81	Present
Chasewood Ptnrs II Mesquite Mesquite, TX	Real Estate Ptnshp.	General Partner	6/83	Present
Sunrise Management Grand Prairie, TX	Real Estate Ptnshp.	General Partner	5/81	Present
Chasewood Partners Grand Prairie, TX	Real Estate Ptnshp.	General Partner	12/80	Present
Chasewood Financial Partners Grand Prairie, TX	Real Estate Ptnshp.	General Partner	5/81	12/84
The Hollows #1 Bedford, TX	Real Estate Ptnshp.	General Partner	1/79	Present
Chasewood Partners-San Antonio San Antonio, TX	Real Estate Ptnshp.	General Partner	9/81	Present
Shallow Creek #1 San Antonio, TX	Real Estate Ptnshp.	General Partner	10/80	Present
Chasewood Ptnrs-G. Prairie III Grand Prairie, TX	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Stuart's Mark I Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Stuart's Mark II Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Quincy's Mark I Dallas, TX	Real Estate Ptnshp.	General Partner	1983	Present
CHP Partners, Ltd.	Real Estate Ptnshp.	General Partner	1983	Present
Dallas Idlewyld #1	Real Estate Ptnshp.	General Partner	9/82	Present
Chasewood Ptnrs-G. Prairie II Grand Prairie, TX	Real Estate Ptnshp.	General Partner	1983	Present
Chasewood Partners-Grapevine Commercial Land	Real Estate Ptnshp.	General Partner	1/84	Present
Chasewood Partners-Grapevine Residential Land	Real Estate Ptnshp.	General Partner	1/84	Present

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Chwd Ptnrs-Collyville Land	Real Estate Ptnshp.	General Partner	9/84	Present
The Chasewood Company	Real Estate S-Corp.	Officer/Director	8/79	3/1/84
The Chasewood Construction Company	Real Estate Co./Corp.	Officer/Director	8/80	3/1/84
The Chaser Company	Real Estate S-Corp.	Officer/Director	1983	3/1/84
The Chasewood Co.-Austin/San Antonio	Real Estate S-Corp.	Officer/Director	8/82	3/1/84
The Chasewood Construction Co.-Austin San Antonio	Real Estate S-Corp.	Officer/Director	6/82	3/1/84
The Chasewood Company-DFW	Real Estate S-Corp.	Officer/Director	1/84	3/1/84
Crow-Western #1-Airline Ptnrs Corpus Christi, TX	Real Estate Ptnshp.	General Partner	6/82	Present
Crow-Western #2-Westgate Ptnrs Houston, TX	Real Estate Ptnshp.	General Partner	6/82	Present
Crow-Western #3-Northwest Ptnrs Houston, TX	Real Estate Ptnshp.	General Partner	7/82	Present
Crow-Western #4-Westgate Ptnrs Houston, TX	Real Estate Ptnshp.	General Partner	6/82	Present
Crow-Western #6-Pates Landing Houston, TX	Real Estate Ptnshp.	General Partner	7/83	Present
Crow-Western #7-Tyler Ptnrs Tyler, TX	Real Estate Ptnshp.	General Partner	12/82	Present
Crow-Western #8-Chandlers Pt. Corpus Christi, TX	Real Estate Ptnshp.	General Partner	10/83	Present
Crow-Western #9-Corpus Christi	Real Estate Ptnshp.	General Partner	11/83	2/84
Crow-Western #10-Pates Lndg II Houston, TX	Real Estate Ptnshp.	General Partner	2/84	Present
Crow-Western Company	Real Estate S-Corp.	Officer/Director	5/82	3/1/84
Crow-Western Construction Company	Real Estate S-Corp.	Officer/Director	5/82	3/1/84
Crow-Western Land Company	Real Estate S-Corp.	Officer/Director	5/82	3/1/84
Crow-Western Co.-Southeast TX	Real Estate S-Corp.	Officer/Director	6/83	3/1/84
CTS Partners #1	Real Estate Ptnshp.	General Partner	1981	Present
Wood View Associates Atlanta, GA	Real Estate Ptnshp.	General Partner	1/82	Present
Atlanta Overlook Assoc. #1 Atlanta, GA	Real Estate Ptnshp.	General Partner	7/81	Present

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
CT Partners	Real Estate Ptnshp.	General Partner	2/81	Present
Crow Wood Lake Associates Atlanta, GA	Real Estate Ptnshp.	General Partner	1982	Present
Crow Wood Knoll Assoc. Marietta, GA	Real Estate Ptnshp.	General Partner	1982	Present
Crow Wood Creek Partnership I Roswell, GA	Real Estate Ptnshp.	General Partner	1982	Present
Wood Glen Associates Atlanta, GA	Real Estate Ptnshp.	General Partner	1982	Present
Crow Mandarin Oaks Assoc., Ltd. Jacksonville, FL	Real Estate Ptnshp.	General Partner	1983	Present
Crow Wood Creek II Ptrshp. Roswell, GA	Real Estate Ptnshp.	General Partner	1983	Present
Crow River View Assoc. Ltd. Ptnshp. Columbia, MD	Real Estate Ptnshp.	General Partner	1982	Present
Crow Eden Brook Assoc. Ltd. Ptnshp. Columbia, MD	Real Estate Ptnshp.	General Partner	1982	Present
Crow Richmond Associates #1 Richmond, VA	Real Estate Ptnshp.	General Partner	1983	Present
Crow Clary Ltd. Ptnshp. Columbia, MD	Real Estate Ptnshp.	General Partner	1983	Present
Crow Arbor Ltd. Ptnshp. Virginia Beach, VA	Real Estate Ptnshp.	General Partner	1983	Present
Crow Arbor #2 Ltd. Ptnshp. Virginia Beach, VA	Real Estate Ptnshp.	General Partner	1983	Present
Crow Lakeside North at Altamonte Mall Assoc., Ltd. Orlando, FL	Real Estate Ptnshp.	General Partner	1982	Present
Crow Lakeside North at Carrollwood Assoc., Ltd. Tampa, FL	Real Estate Ptnshp.	General Partner	1982	Present
Crow Sundown Assoc., Ltd. Orlando, FL	Real Estate Ptnshp.	General Partner	6/83	Present
Crow Boca Colony Assoc., Ltd. Boca Raton, FL	Real Estate Ptnshp.	General Partner	7/83	Present

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Crow Plantation Colony Assoc., Ltd. Plantation, FL	Real Estate Ptnshp.	General Partner	11/82	Present
Crow Boca Place Assoc., Ltd. Boca Raton, FL	Real Estate Ptnshp.	General Partner	1/83	Present
Crow President's Walk WPB A, L West Palm Beach, FL	Real Estate Ptnshp.	General Partner	1/83	Present
Crow Town Colony Assoc., Ltd. Boca Raton, FL	Real Estate Ptnshp.	General Partner	1/83	Present
Crow Lynn Place Associates Raleigh, N.C.	Real Estate Ptnshp.	General Partner	1984	Present
Crow Shelly Place Associates Raleigh, N.C.	Real Estate Ptnshp.	General Partner	1984	Present
Crow Sundown II Associates Orlando, FL	Real Estate Ptnshp.	General Partner	1984	Present
Crow Oaks at Regency Jacksonville, FL	Real Estate Ptnshp.	General Partner	1984	Present
Crow Knoll, Ltd. Montgomery City, MD	Real Estate Ptnshp.	General Partner	1984	Present
CT Wood Hollow Associates Atlanta, GA	Real Estate Ptnshp.	General Partner	1982	Present
Crow Mandarin Oaks Phase II Jacksonville, FL	Real Estate Ptnshp.	General Partner	1983	Present
Fairwood Contractors	Real Estate S-Corp.	Officer/Director	2/84	Present
CTY Investment Properties Ltd.	Real Estate S-Corp.	Officer/Director	1983	3/1/84
I-20 Associates	Real Estate Ptnshp.	General Partner	2/83	Present
East Dallas Land Partnership	Real Estate Ptnshp.	General Partner	2/81	Present
Mid-Cities Holding Co. #1	Real Estate Ptnshp.	General Partner	11/79	Present
Trent Duplexes Partnership	Real Estate Ptnshp.	General Partner	7/81	Present
Crow S.A. Rentals	Real Estate Ptnshp.	General Partner	6/82	Present
GP Investment Partners, Ltd.	Real Estate Ptnshp.	General Partner	9/83	Present

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
DeZavala Partnership #1	Real Estate Ptnshp.	General Partner	2/81	Present
C&C Partnership	Real Estate Ptnshp.	General Partner	5/83	Present
W-G-C Partnership	Real Estate Ptnshp.	General Partner	10/80	Present
Grapevine Associates #1	Real Estate Ptnshp.	General Partner	5/83	Present
Grapevine Associates #2	Real Estate Ptnshp.	General Partner	9/83	Present
Garland Associates #1	Real Estate Ptnshp.	General Partner	2/83	Present
Duplex Partners #3	Real Estate Ptnshp.	General Partner	12/81	Present
Seville Investment Partnership	Real Estate Ptnshp.	General Partner	9/81	Present
Allen Investment Partnership	Real Estate Ptnshp.	General Partner	1984	Present
Cedar Hill Investment Partners	Real Estate Ptnshp.	General Partner	1984	Present
GP Twenty Partnership	Real Estate Ptnshp.	General Partner	1984	Present
Vineyard Investment Partners	Real Estate Ptnshp.	General Partner	1984	Present
Lancaster Land Partnership	Real Estate Ptnshp.	General Partner	4/84	Present
Bedford Land Investment Partnership	Real Estate Ptnshp.	General Partner	4/83	Present
Grand Prairie Assoc. #2	Real Estate Ptnshp.	General Partner	1984	Present
Grand Prairie Assoc. #3	Real Estate Ptnshp.	General Partner	1984	Present
Euless Associates #1	Real Estate Ptnshp.	General Partner	1984	Present
CDC Liquidation Partnership	Real Estate Ptnshp.	General Partner	1984	Present
Polo Road Partners	Real Estate Ptnshp.	General Partner	1984	Present
Combined Housing Company	Real Estate S-Corp.	Officer/Director	7/80	3/1/84
BWW Investment Company, Inc.	Real Estate S-Corp.	Officer/Director	2/80	3/1/84
Crow Development Co.-Oklahoma	Real Estate S-Corp.	Officer/Director	9/81	3/1/84
Crow Development Co.-Mid-Citie	Real Estate S-Corp.	Officer/Director	9/81	3/1/84
Crow Development Co.-San Antonio	Real Estate S-Corp.	Officer/Director	9/81	3/1/84
Crow Development Co.-Dallas	Real Estate S-Corp.	Officer/Director	9/81	3/1/84
Crow Development Co.-Mansfield	Real Estate S-Corp.	Officer/Director	9/81	3/1/84
Crow Development Co.-Aus/SA	Real Estate S-Corp.	Officer/Director	10/83	3/1/84
Bedford Commercial Holding Co.	Real Estate S-Corp.	Officer/Director	1/80	3/1/84
Glade Crossing Development Corp.	Real Estate S-Corp.	Officer/Director	1984	3/1/84
Claremont Development Corp.	Real Estate S-Corp.	Officer/Director	1983	3/1/84
Highland Oaks Development Corp.	Real Estate S-Corp.	Officer/Director	1983	3/1/84
Wendover Development Corp.	Real Estate S-Corp.	Officer/Director	1983	3/1/84
Westchester Residential Corp.	Real Estate S-Corp.	Officer/Director	1984	3/1/84
Countryside Estates Corp.	Real Estate S-Corp.	Officer/Director	1984	3/1/84
Lancaster Resid. Dev. Corp.	Real Estate S-Corp.	Officer/Director	1984	3/1/84

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POSITION'S HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Crow Development Company	Real Estate S-Corp.	Officer/Director	4/78	3/1/84
Salisbury Corp.	Real Estate Co./Corp.	Officer/Director	11/76	3/1/84
Crow Development Services	Real Estate S-Corp.	Officer/Director	9/81	12/31/82
CDC Management Co.	Real Estate S-Corp.	Officer/Director	9/81	12/31/82
Mid-Cities Holding Co. #2	Real Estate S-Corp.	Officer/Director	5/80	12/31/82
Main Street Holding Co.	Real Estate S-Corp.	Officer/Director	12/79	12/31/82
CDC Management Company	Real Estate S-Corp.	Officer/Director	1984	3/1/84
Albright, Ltd. Arlington, TX	Real Estate Ptnshp.	General Partner	7/82	Present
Bryan Associates #1-Nob Hill San Antonio, TX	Real Estate Ptnshp.	General Partner	2/83	Present
Sunbelt Properties #1 Euless, TX	Real Estate Ptnshp.	General Partner	7/83	Present
Forest Oaks-Arlington Arlington, TX	Real Estate Ptnshp.	General Partner	11/83	Present
DC No. 1 El Paso, TX	Real Estate Ptnshp.	General Partner	9/83	Present
Bryan/Windridge Associates, Ltd. San Antonio, TX	Real Estate Ptnshp.	General Partner	10/83	Present
Office Partners at Las Colinas Irving, TX	Real Estate Ptnshp.	General Partner	12/83	Present
Meadowridge Partners I, Ltd. Duncanville, TX	Real Estate Ptnshp.	General Partner	2/84	Present
Bryan Associates, Inc. Dallas, TX	Real Estate S-Corp.	Officer/Director	7/82	3/1/84
CGT, Inc.	Real Estate S-Corp.	Officer/Director	1/77	3/1/84
Interwest Capital Corp.	Real Estate S-Corp.	Officer/Director	7/82	3/84
Crow Brighton No. 15	Real Estate Ptnshp.	General Partner	9/77	Present
Crow Brighton No. 20	Real Estate Ptnshp.	General Partner	9/77	Present
Crow Brighton No. 27	Real Estate Ptnshp.	General Partner	9/77	Present
Dallas Market Ctr. Dallas, TX	Business	Member, Bd. of Dir.	1984	3/1/84

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POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From	To
Greater Dallas Planning Council Dallas, TX	Civic	Member, Bd. of Dir.	1984	3/1/84
Dallas Chalienge, Inc. Dallas, TX	Civic	Member, Bd. of Dir.	1984	3/1/84
Park Cities Montessori School Dallas, TX	Civic	Member, Bd. of Dir.	1980	1982
Urban Lant Institute Washington, D.C.	Business	Member, Pres. Council	1978	1982
Love Field Citizens Action Committee Dallas, TX	Civic	Member, Bd. of Dir.	1979	1982
Chasewood Partners-North Dallas	Real Estate Ptnrshp.	General Partner	6/82	1984
Chasewood Partners II-Dallas, Ltd.	Real Estate Ptnrshp.	General Partner	2/82	1984
Chasewood Partners III-Dallas, Ltd.	Real Estate Ptnrshp.	General Partner	6/82	1984
Chasewood Partners II-Austin, Ltd., TX	Real Estate Ptnrshp.	General Partner	2/82	1984
Chasewood Partners in Las Colinas, TX	Real Estate Ptnrshp.	General Partner	7/82	1984
Chasewood Partners-Grand Prairie, TX	Real Estate Ptnrshp.	General Partner	4/82	1984
Chasewood Partners Jupiter Road, Dallas	Real Estate Ptnrshp.	General Partner	10/82	1984
Chasewood Partners Las Colinas II, TX	Real Estate Ptnrshp.	General Partner	1983	1984
Chasewood Ptnrs-Okla. City, OK (owned by dependent children)	Real Estate Ptnrshp.	Limited Partner	6/82	Present
Crow-Western Partners, Houston, TX	Real Estate Ptnrshp.	General Partner	1/83	Present

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ATTACHMENT II - ENTITIES NOT INCLUDED IN SCHEDULE V to SF-278

NAME AND ADDRESS OF ORGANIZATION	TYPE OF ORGANIZATION	POSITION HELD	FROM *	TO
Chasewood Partners-North Dallas**	Real Estate Ptnrshp.	General Partner	6/82	1984
Chasewood Partners II-Dallas, Ltd.**	Real Estate Ptnrshp.	General Partner	2/82	1984
Chasewood Partners III-Dallas, Ltd.**	Real Estate Ptnrshp.	General Partner	6/82	1984
Chasewood Partners II-Austin, Ltd.,TX**	Real Estate Ptnrshp.	General Partner	2/82	1984
Chasewood Partners in Las Colinas,TX**	Real Estate Ptnrshp.	General Partner	7/82	1984
Chasewood Partners-Grand Prairie, TX**	Real Estate Ptnrshp.	General Partner	4/82	1984
Chasewood Partners Jupiter Road,Dallas**	Real Estate Ptnrshp.	General Partner	10/82	1984
Chasewood Partners Las Colinas II,TX**	Real Estate Ptnrshp.	General Partner	1983	1984
Chasewood Ptnrs-Okla. City, OK (owned by dependent children)	Real Estate Ptnrshp.	Limited Partner	6/82	Present
Mosquito Land Limited Ptnrshp.	Real Estate Ptnrshp.	General Partner	6/82	12/30/82
Quincy's Mark Assoc., Dallas TX	Real Estate Ptnrshp.	Limited Partner	1983	Present
Chasewood Quincy's Mark Assoc., Dallas TX	Real Estate Ptnrshp.	Limited Partner	1983	Present
Crow-Western Partners, Houston TX**	Real Estate Ptnrshp.	General Partner	1/83	Present
Cumberland Ridge Assoc., Atlanta GA	Real Estate Ptnrshp.	Limited Partner	11/80	Present
Atlanta Overlook Assoc., Atlanta GA	Real Estate Ptnrshp.	Limited Partner	1981	Present
Crow Baymeadows Place Assoc., Jacksonville, FL	Real Estate Ptnrshp.	Limited Partner	1983	Present
Crow Creekside Assoc., Atlanta GA	Real Estate Ptnrshp.	Limited Partner	1983	Present
Crow River View Assoc., Columbia MD	Real Estate Ptnrshp.	Limited Partner	1982	Present
Crow Eden Brook Assoc., Columbia MD	Real Estate Ptnrshp.	Limited Partner	1982	Present
Crow Richmond Assoc. #1, Richmond VA	Real Estate Ptnrshp.	Limited Partner	1983	Present
Crow Virginia Bch Assoc., Virginia Bch.	Real Estate Ptnrshp.	General/Ltd. Ptnr	Name changed to Crow Arbor, Ltd.	
Crow Arbor Limited Ptnrshp., Virginia Beach, VA	Real Estate Ptnrshp.	Limited Partner	1983	Present

** Denotes entities that are inactive;however, these particular entities are reported on Attachment II(Schedule D) to the SF-278.

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NAME AND ADDRESS OF ORGANIZATION	TYPE OF ORGANIZATION	POSITION HELD	FROM •	TO
Crow Lakeside North at Altamonte Mall Assoc., Orlando FL	Real Estate Ptnrshp.	Limited Partner	1982	Present
Crow Lakeside North at Carrollwood Assoc., Tampa FL	Real Estate Ptnrshp.	Limited Partner	1982	Present
Crow Horizon Place Assoc., Tampa FL	Real Estate Ptnrshp.	Limited Partner	9/83	Present
Crow Forest Place Assoc., Tampa FL	Real Estate Ptnrshp.	Limited Partner	12/83	Present
Crow Wood Forest Assoc., Daytona bch FL	Real Estate Ptnrshp.	Limited Partner	12/83	Present
Crow Sundown Assoc., Orlando FL	Real Estate Ptnrshp.	Limited Partner	6/83	Present
Boca Colony Assoc., Boca Raton, FL	Real Estate Ptnrshp.	General Partner	Name changed to Crow Boca Colony	
Crow Woodhollow Assoc., Atlanta GA	Real Estate Ptnrshp.	General Partner	Name changed to CT Woodhollow Assoc.	
Broadmore Investment Ptnrshp., Dallas (owned by spouse)	Real Estate Ptnrshp.	General Partner	1984	Present
Crow Development Management Co., Dallas, TX	Real Estate Ptnrshp.	General Partner	7/78	1/1/81
Duplex Partners #2, Dallas, TX	Real Estate Ptnrshp.	Limited Partner	12/80	Present
Duplex Partners, Dallas TX	Real Estate Ptnrshp.	General Partner	7/80	12/80
Castleridge Land Ptnrshp., Dallas TX	Real Estate Ptnrshp.	General Partner	7/79	12/80
Trail Valley Land Ptnrshp., Dallas TX	Real Estate Ptnrshp.	General Partner	9/79	12/80
Title Escrow Services, Inc., Dallas TX	Real Estate S-Corp.	Shareholder	9/82	1984
Creekside Development Corp., Dallas, TX	Real Estate S-Corp.	Shareholder	1979	12/30/80
Wanagaum Falls Corp., Honnesdale PA	Real Estate Corp.	Shareholder	1977	Present
WBN Corp., Dallas, TX	Real Estate Corp.	Consultant	1977	1978
CPLE, Inc., Dallas, TX	Real Estate Corp.	Consultant	1978	1978
Crow-Brighton #72, Dallas TX	Real Estate Corp.	Consultant	1978	1978
Cocoplum Assoc, Inc., Atlanta GA	Real Estate Corp.	Officer/Director	1976	1978
Woodhue Corporation, Atlanta GA	Real Estate Corp.	Officer/Director	1976	1978
Urban Design Task Force, Dallas TX	Civic	Member	1983	1984
Arts Magnet High School, Dallas TX	Civic	Member	1984	1984

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NAME AND ADDRESS OF ORGANIZATION	TYPE OF ORGANIZATION	POSITION HELD	FROM *	TO
Graduate School of Business, University of Dallas, Irving TX	Civic	Member	1979	1982
Joint Committee on City Planning, Dallas, TX	Civic	Member	1983	1984
Dallas Museum of Art, Dallas TX	Civic	Member	1983	1984
Chasewood Company-DFW, Dallas TX	Real Estate S-Corp.	Shareholder	1/84	Present
Chasewood Construction Co.-DFW, Dallas, TX	Real Estate S-Corp.	Shareholder	1/84	Present
CTS Construction Co., Boca Place, Boca Raton, FL	Real Estate S-Corp.	Shareholder	1984	Present
CTS Construction Co.,Towne Colony, Boca Raton, FL	Real Estate S-Corp.	Shareholder	1984	Present
CTG Contractors, Atlanta GA	Real Estate S-Corp.	Shareholder	1984	Present

NOTE: I was involved in Crow, Pope & Land, Inc. and Crow, Pope & Carter, Inc. in the mid to late 1970's, during their reorganization. In this capacity I served as director of numerous corporations. I have included these on the schedules. As these entities were disolved before 1980, I am unable to ensure that all such entities have been included; however, I do not feel that these entities present a potential conflict of interest.

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ATTACHMENT III

MEMBERSHIP IN ORGANIZATIONS

Terence C. Golden

NAME	ADDRESS	TYPE	FROM	TO	OFFICE HELD
Texas Commerce Bank	Campbell Center 8150 N. Central Exp. Dallas, Texas 75207	Bus.	1981	1984	Member/Board of Dir.
Dallas Market Center	2100 Stemmons Freeway Dallas, Texas 75207	Bus.	1978	1984	Member/Board of Dir.
Greater Dallas Planning Council	3600 Commerce Dallas, Texas 75226	Civic	1983	1984	Member/Board of Dir.
Dallas Challenge	2100 Bryan, #3200 Dallas, Texas 75201	Civic	1983	1984	Member/Board of Dir.
Urban Design Task Force	c/o Reagan George Chairperson 2501 Cedar Springs Dallas, Texas 75201	Civic	1983	1984	Member
Arts Magnet High School	DISD 2501 Flora Street Dallas, Texas 75201	Civic	1983	1984	Member, Advisory Bd.
Graduate School of Business	University of Dallas GSM-University of Dallas Irving, Texas 75061	Civic	1979	1982	Member, Advisory Bd.
Park Cities Montessori School	4011 Inwood Dallas, Texas 75209	Civic	1980	1982	Member/Board of Dir.
Urban Land Inst.	1200 18th Street, NW Washington, D.C. 20036	BUS.	1978	1982	Member, Res. Council
Love Field Citizens Act. Cmte.	2927 Maple Springs Blvd. Dallas, Texas 75235	Civic	1979	1982	Member/Board of Dir.
Joint Cmte on City Planning	City of Dallas 1500 Marilla Dallas, Texas 75201	Civic	1983	1984	Member

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ATTACHMENT IV
(Question 13(c))

Terency C. Golden
Political Contributions in Excess of $50

	1984	1983	1982	1981	1980	1979
S. Bartlett Congressional Camp	$500.00					
J. Brady Presidential Found.	100.00					
Republican National Campaign	200.00					
Campaign 1984	250.00					
Texas Reagan Team	50.00					
Dallas Convention Foundation	1,500.00					
TX Republican Convention Fund	100.00					
Rosbacher For Senate	100.00					
DSMC	50.00					
SCOPE	5,000.00					
Friends of Dr. T. Brown	100.00					
The President's Dinner	1,500.00					
Anderson Campaign		$125.00				
A. Lynn Gregory		125.00				
Ike Harris for Senate		400.00				
Republican Party		100.00				
RNC 500 Club		500.00				
Stan Schuster		80.00				
Steve Bartlett		250.00				
Republican Party		50.00				
GOP Victory Fund		200.00				
Bill Hobby for Lt. Governor		200.00				
The Governor Clements Campaign			$100.00			
Senator Lloyd Bentsen Election				$1,000.00		
Sid Stahl Campaign Fund				50.00		
Citizens for Lee Stanton				50.00		
Love Field Citizens Action Comm				250.00		
Ron Kessler Campaign Fund					$100.00	
John Connally						$100.00

NOTE: I have no record of any political contributions made prior to 1979.

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Attachment IV
(Question 13(c))

Terence C. Golden

Political Contributions in Excess of $50

1985

Texas Victory Celebration (Joint Contribution -- Mr. and Mrs. T.C. Golden)	$10,000

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Attachment V

JONES, DAY, REAVIS & POGUE

AUSTIN
CLEVELAND
COLUMBUS
LOS ANGELES
WASHINGTON

2300 LTV CENTER
2001 ROSS AVENUE
P.O. BOX 660623
DALLAS, TEXAS 75266

TELEPHONE 214 220-3939
TELEX 730832
CABLE ATTORNEYS DALLAS
TELECOPIER 214-969-5100
DIRECT DIAL NUMBER

FEDERAL EXPRESS

February 15, 1985

Mr. Larry Garrett
Office of the Counsel
to the President
The White House
Washington, D.C. 20500

Dear Mr. Garrett:

Terry Golden has asked me to report to you from my personal knowledge gained in serving as his legal counsel for the past 7 or 8 years and from the knowledge of the Jones, Day, Reavis & Pogue law firm (the principal counsel for most of the business entities with whom he has been associated for the past 8 or 9 years) any involvement he might have had with any court or government agency litigation or proceedings.

In order to do this, I utilized the procedures that my law firm routinely uses to discover such matters as the firm must consider for reporting litigation and claims to independent auditors of publicly traded companies. In addition, I personally reviewed all files in which Terry Golden appeared as an individual who had involvement or responsibility for the outcome.

Due to the nature of Mr. Golden's participation in a business group of individuals, The Trammell Crow affiliates doing business primarily in the mode of multiple partnerships, no one person could possibly independently recall all involvements over a period of years. Therefore, I have contacted those key people who, in my experience, would have had knowledge of such matters. It is also likely that there could be matters that involve Mr. Golden about which he himself never had knowledge of his own exposure to potential liability or other involvement.

So that I could report to you any matters even arguably involving allegations of fraud, personal misfeasance (other than negligence), violations of personal rights or criminal allegations, particular attention has been paid to

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matters that are still pending or had aspects beyond routine business disputes concerning how much money might be due or owing.

These matters in which Mr. Golden has involvement fall into the following categories: 1. Uninsured litigation; 2. Routine insured business litigation; 3. Minor personal litigation; and 4. Minor traffic tickets.

1. Uninsured litigation -

a. Cause No. 84-5390-E; Fred Bruner, Plaintiff, vs. Crow Development Company, a/k/a Crow Development Corporation, D. Michael Crow and Pulte Home Corporation, Defendants; In the District Court of Dallas County, Texas, 101st Judicial District.

This suit was filed by the plaintiff on April 25, 1984 alleging slander of title on a tract of land alleged to be owned by the plaintiff. The suit seeks damages in excess of $1 million based upon an alleged loss of a contract of sale. Unspecified exemplary damages are also sought. Crow Development Company has filed its answer denying the material allegations of the plaintiffs' petition. Meaningful discovery has not taken place and therefore the case cannot be evaluated. The case is currently set for trial on March 25, 1985, although it is anticipated that the trial will be reset. Mr. Golden has been a stockholder in Crow Development Company but has had no personal, first hand involvement in this matter.

b. Cause No. 84-CI-11348; Stephen N. Havel, et al. Plaintiffs, vs. Crow Development Company, et al. Defendants; In the District Court, 73rd Judicial District, Bexar County, Texas.

This is a suit by three home owners in San Antonio against Crow Development. The petition, which was filed on July 30, 1984, alleges violations of the Texas Deceptive Trade Practices Act. The petition seeks damages in excess of $150,000.00. Crow Development Company has filed its answer

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denying the material allegations of the petition. The case is not currently set for trial. Discovery is continuing and it is too early to evaluate the case. Mr. Golden has been a stockholder in Crow Development Company but has had no personal, first hand involvement in this matter.

c. Cause No. 84-A-3581-5; Seaboard Systems Rail Road, Inc. v. Universal Investments Mfg. Co., I-Crow Terwilliger Co., Crow Terwilliger Construction Co., I-Crow Terwilliger Atlanta Associates. In the State Court of Cobb County, State of Georgia.

This suit was filed in 1984 and alleges that the defendants' construction project caused damages to a railroad embankment which had to be repaired as a result. It is now believed that insurance coverage is provided to defendants. Mr. Golden is a partner in I-Crow Terwilliger Atlanta Associates but has no personal, first hand involvement in this matter.

d. Cause No. 04-83-00608-CV; Chasewood Construction Company, Appellant v. David R. Rico, Appellee. In the Court of Appeals Fourth Supreme Judicial District, San Antonio, Texas.

In September 1983 a judgment of approximately 2.1 million dollars was entered against Chasewood Construction Company ("Chasewood") in the above captioned case on claims of libel and slander and approximately $51,000 for breach of contract, both arising from the termination of a subcontractor from an apartment construction project in San Antonio, Texas. Mr. Golden was not a defendant in the suit but was a shareholder in Chasewood Construction Company, a Texas corporation, and is an investor-partner in a limited partnership known as Shallow Creek San Antonio Associates, for which the apartment project was being constructed.

Mr. Golden had no role in or knowledge of the actions forming the basis of the suit. Mr. Golden took no active role in either the alleged conduct or the handling of the

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litigation. At one point in time Mr. Golden was advised that the case had been changed from a mere contract claim of less than $50,000 to include the libel and slander claim, which at that point was believed to be fully insured.

After the entry of judgment in favor of Mr. Rico, it was learned that there was a dispute on the part of Harbor Insurance Company as to whether it in fact was required to provide any liability coverage in excess of the $500,000.00 liability coverage provided by the primary insurance carrier. As a result of the dispute with Harbor, Mr. Golden and other partners of Chasewood were requested to and did execute an indemnity agreement as collateral for a supersedeas bond in the amount of $1,600,000.00 which was required in connection with the appeal of the judgment.

Thereafter Chasewood was made a party defendant in a suit filed by Harbor which is now pending in the United States District Court for the Northern District of Texas, captioned Harbor Insurance Company v. Trammell Crow Company, Inc. and The Chasewood Construction Company, Civil Action No. CA3-84-0166-G. The suit seeks a declaratory judgment as to whether Harbor should be required to provide coverage for any possible recovery by plaintiff Rico above the $500,000.00 primary insurance. In the event the pending appeal is not successful and the judgment in favor of plaintiff is upheld and, in the event that Harbor is ultimately declared not to have to provide insurance coverage, then Mr. Golden, as a surety on the supersedeas bond may be called upon to pay some or all of any final judgment in excess of $500,000.00.

e. Cause No. 96-44541-77; Baker-Crow No. 26, and I-20 Arlington Development Corporation v. Bell Helicopter Textron. In the District Court of Tarrant County, Texas, 96th Judicial District.

This cause was dismissed as a result of settlement between the parties in 1980. It involved allegations by the plaintiffs in which Mr. Golden was a stockholder and a partner that defendant Bell was conducting helicopter motor and rotor testing procedures on property adjoining that of plaintiffs that resulted in illegal noise pollution.

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f. Cause No. 141-72044-82;
Carl Johnston and Sharon,
Plaintiffs v. Crow Development
Co., Tree Brand Development
Co., Tri City Development
Co., City of Bedford and
City of Colleyville, Defendants;
In the District Court,
Tarrant County, Texas,
141st Judicial District.

The plaintiffs filed their suit against Crow Development Company and others on April 8, 1982 in the 141st Judicial District Court, Tarrant County, Texas. The petition alleges that the plaintiffs' home had flooded as a result of diversion of water by the defendants. The petition originally sought to enjoin Crow Development Company and the other defendants from developing subdivisions near the plaintiffs' home. The petition also sought damages in excess of an unspecified amount. The petition was amended on April 23, 1982, deleting the requested injunction. Damages were alleged to be at least $225,000.00. The amended petition also seeks interest at a rate of $125.00 per day, plus unspecified exemplary damages. Crow Development Company has filed an answer denying the material allegations of the plaintiffs' amended petition and raising its affirmative defenses. Trial has not been set. No meaningful discovery has taken place, and thus, the case cannot be evaluated at this time. Mr. Golden has been a stockholder in Crow Development Company but has had no personal, first hand involvement in this matter.

2. Routine Insured Litigation -

It has been the policy of Mr. Golden and those with whom he has been associated at Trammell Crow to insure all possible litigation to the full extent possible. Due to the nature of the real estate and related business in which he has been engaged, numerous suits are filed which are considered to be in the regular course of business. Such suits are routinely forwarded to its insurance agent, Alexander and Alexander, Inc. No effort is made to record or follow the course of such litigation. The records of Alexander and Alexander are maintained in such a way that there is no ability to retrieve such insured lawsuits in which Mr. Golden might be a defendant. The claim files pertain to a very large number of claims against various insureds on the Crow liability policies. Mr. Golden is only one of a large number of

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insureds. Further information about any such litigation may be obtained through Mary Boeckleman, Vice President Claims, Alexander and Alexander, Inc., Dallas, Texas.

3. Minor Personal Litigation -

In 1968-69 and in 1978-79 Mr. Golden has taken advantage of the small claims courts in the states where he was living to initiate and pursue vindication of personal rights of his family and himself against providers of unsatisfactory contract performance and services. These minor matters did not involve services by attorneys.

4. Minor Traffic Tickets -

Mr. Golden has received traffic tickets which required no legal assistance.

Due to the large number and geographic spread of Mr. Golden's interests, as disclosed by his Financial Disclosure Report, it is difficult to report all possible involvement but I believe that I have included in this report all matters of significance.

Sincerely,

Robert F. Middleton

Robert F. Middleton

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RESPONSES TO PREHEARING QUESTIONS

I. NOMINATION PROCESS AND POTENTIAL CONFLICTS

Question 1

Is there any issue currently under consideration by GSA or which may come under consideration from which you would have to disqualify yourself? If so, explain.

Answer

I am not aware of any current issues at GSA which might present a conflict of interest. If, at some future date, a potential conflict of interest would arise in connection with my former firm or individuals with whom I was associated, I would remove myself from participation in the particular GSA action. In such circumstances, I would discuss the matter with the Office of Ethics and the Inspector General.

Question 2

Have you made any commitments with respect to the basic policies and philosophy you would seek to implement as Administrator? If so, please describe your commitments.

Answer

I have made no specific policy commitments. However, I am determined to work with the employees of GSA to reduce the cost of Government. One of the objectives of GSA is to ensure that the Government acquires goods and services in the most cost effective manner. In order to accomplish this objective, it is essential to provide the GSA employees with the training and support which they need to perform their jobs efficiently and economically.

Question 3

How were you selected to be nominated to serve as the Administrator of General Services? Were there any conditions, expressed or implied, attached to your nomination to be Administrator?

Answer

I was selected by the President of the United States. There were no conditions, either expressed or implied, to my nomination.

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II. ROLE OF THE ADMINISTRATOR OF GENERAL SERVICES

Question 1

What is your view of the role of the Administrator of GSA?

Answer

The Administrator of GSA has the responsibility to reduce the cost of Government. He must establish policies which ensure that goods and services are acquired in the most efficient and effective manner, and that GSA meets the needs of its customer agencies.

Question 2

What do you believe are the most important functions of the position for which you have been nominated?

Answer

The Administrator must first foster an environment within GSA which encourages teamwork among its employees. GSA's effectiveness depends upon the contributions of its employees. By providing support to the employees, such as proper training and an efficient and cooperative work environment, these contributions can be maximized. The Administrator must also establish the goals and objectives of GSA. When I establish goals and objectives for the Agency, I will seek the advice and support of both Congress and the agencies which GSA serves. Finally, the Administrator must make every effort to encourage communication both inside GSA and outside GSA. Also, it is my intention to promote full and open communications between GSA and Congress.

Question 3

At this time, what do you think is the greatest challenge facing the General Services Administration, and how do you expect to meet it?

Answer

The greatest challenge facing GSA is to serve the needs of its customer agencies in a time of budgetary constraints. During the past four years, GSA has made major strides in both improving services and reducing costs. It is necessary, however, that GSA renew and intensify its commitment to economize at every level. At the same time, GSA must continue to deliver the services vital to the operations of its customer agencies.

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III. INTERNAL AND EXTERNAL RELATIONS AT GSA

Question 1

Do you have any ideas on how the working relationship between GSA and other agencies could be improved?

Answer

One of the keys to improving the working relationship between GSA and other agencies is enhanced communications. GSA has already taken significant steps in improving its communications. For example, last year, GSA held a "Partnership in Administration" conference in Leesburg, Virginia. The purpose of the conference was to enable GSA to better identify and understand customer agency needs and concerns. The conference, which was attended by over sixty agencies, made substantial progress in opening lines of communications. I want to further these efforts to improve communications. I will strive to increase the participation of agencies not only in establishing goals and objectives for GSA, but also evaluating GSA's performance in meeting those goals.

Question 2

One of GSA's problems in the past has been that of communication among the Washington Central Office and the Regional Offices. Do you see that as a problem? If so, what will you do to improve the GSA communication network?

Answer

Decision-making in GSA must reflect the Central Office and regional perspectives. Although I have not yet formulated any specific plans in this area, I will encourage increased interaction and cooperation between Regional and Central Office officials. I also believe that issues affecting the interaction of the regions with the Central Office must be expeditiously resolved. When I become Administrator, I intend to act quickly to study and resolve any such issues outstanding in GSA.

Question 3

Another problem has been the conflict between the Office of Inspector General and the Office of Oversight. How would you propose to deal with this overlap of responsibilities?

Answer

I am aware of the fact that there are allegations regarding a conflict between the Office of Inspector General and the Office of Oversight. As soon as I am able, I will study these allegations and determine a course of action.

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In general, it is my intention to eliminate any duplication of functions which may exist in the Agency and to streamline and clarify lines of authority.

Question 4

What is your view of the relationship that should exist between the Inspector General and the Administrator at GSA?

Answer

I fully support and encourage the Inspector General in his activities to eliminate waste, fraud, and abuse. I view the fight against waste, fraud, and abuse as a cooperative effort among all GSA employees. I will do my best to encourage each employee to fulfill that responsibility.

Question 5

Do you envision the structure of the GSA Office of Information Resources Management (OIRM) or Federal Supply and Services (FSS) changing under your leadership? If so, why and how?

Answer

It is not my intention to make radical changes in GSA simply for the sake of change. Too often energy is wasted in such endeavors. However, with the cooperation of GSA's senior management, both in the Central Office and in the regions, I intend to systematically review the operations of the Agency and determine what changes might be made in order to reduce the cost of Government and improve the delivery of goods and services. In making these evaluations, I plan to seek the advice of customer agencies, the Office of Management and Budget, and the Congress.

Question 6

What do you think of the National Academy of Public Administration recommendation that the current management roles performed by OPM, OMB, and GSA be transferred to a newly established Office of Federal Management?

Answer

I am aware of the recommendations of the Academy. However, I have not as yet formed an opinion concerning these recommendations.

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Question 7

Recently, a number of task forces have been initiated which are charged with recommending modifications of GSA's organization and procedure, including one which relates to delegation of agency authority concerning administration, upkeep, and sale of property. Please comment on the extent of your knowledge about these task forces and what position you would take on "delegating out" GSA authority.

Answer

I am aware that GSA officials are participating in an interagency task force examining the delegation of certain authorities of GSA to other agencies. I understand that this task force is examining ways to implement the recommendations contained in the report of the Cabinet Council on Management and Administration (CCMA) on real property management. I am generally supportive of these recommendations. I will, of course, closely examine any implementation plans prior to acting on the recommendations.

I also understand that there are groups within GSA reviewing staffing and organization of the Agency. As Administrator, I will review any recommendations made by these groups.

Question 8

If the Acting Administrator were to begin implementation of these task force recommendations and you were later confirmed, would you "freeze" all implementation pending your personal review, or would you uphold any decision made prior to your confirmation?

Answer

I understand that the internal GSA task forces are simply developing recommendations for my review. It is also my understanding that there will be no major actions taken prior to my assuming the position of Administrator. If any actions were taken, however, I would carefully review them.

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IV. PROCUREMENT

Question 1

The Grace Commission recommends that acquisition of "common use" items, such as office equipment and supplies, should be centralized in the General Services Administration. Agencies, however, frequently ignore GSA and buy their common-use items "off schedule." Do you believe that agencies should be required to buy through GSA, when designated as the required source of supply, unless they have a compelling reason not to do so?

Answer.

I believe that the Government should purchase supplies at the lowest possible cost, consistent with the needs of the user agencies. GSA should be the mandatory source for an item when it is cost effective for GSA to provide the item. Other agencies should be permitted to procure an item when it is more cost effective than acquiring the item through GSA. I believe that it is critical to establish a data base which will enable the agency to determine the most cost effective way to purchase an item. As Administrator, I plan to undertake a careful analysis of the Federal supply system to get such information. This analysis could perhaps be performed by an outside contractor.

Question 2

Part of the reason that agencies buy "off schedule," according to the Grace Commission, is that GSA lacks credibility--agencies don't believe that GSA can provide what they need. What can be done to enhance GSA's credibility?

Answer

Credibility has two components: good performance and good communications. GSA has made progress in both areas over the past four years. As Administrator, I intend to continue to improve the performance of the Agency. As I noted previously, I will implement an analysis of the Federal supply system. In addition, I will make efforts to enhance the communications between GSA and customer agencies. These efforts would include keeping agencies abreast of GSA's activities and listening to their recommendations on improving performance.

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Question 3

The Grace Commission has also said that some agencies may not know that GSA is the established source of supply for some "common use" items. What steps can GSA take to increase its visibility?

Answer

I understand that GSA currently has a program to "educate" agencies as to goods and services which GSA supplies. As Administrator, I intend to continue these efforts by emphasizing communications between GSA and the customer agencies.

Question 4

Do you believe additional legislation is necessary to clarify and/or augment the GSA Administrator's authority with respect to procurement and supply management? Are existing regulations adequate to establish GSA as a mandatory source of supply?

Answer

As Administrator, I intend to undertake a thorough analysis of the current Federal supply system, after which I will carefully consider the need for legislative or regulatory changes.

Question 5

The enactment of the Competition in Contracting Act (P.L. 93-369) was one of the Committee's major achievements last Congress. Do you support the provisions of this legislation, which enhance competitive contracting and restrict the use of unnecessary noncompetitive--sole source--contracting?

Answer

I agree with the Committee that the Government should procure goods and services at the lowest cost. I also agree that competitive contracting generally results in lower prices than sole-source contracting. As Administrator, I will make every effort to see that GSA complies with the provisions of the Competition in Contracting Act.

The provisions of the Competition in Contracting Act became effective on April 1 of this year. After GSA has had an opportunity to review the impact of the law on competition and costs to the Government, I will be in a better position to provide the Committee with information on the effectiveness of the legislation, and any need to revise its provisions.

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Question 6

Unlike the Defense Department, civilian procuring agencies are generally precluded from awarding contracts on a multiyear basis. Do you favor extending this authority Government-wide?

Answer

I strongly favor the extension of multiyear contracting authority to civilian agencies. I believe that the selective use of multiyear contracts could reduce costs, increase quality, and promote competition.

Question 7

GSA's conversion of multiple-award contracts to single-award contracts has raised some concern within the procurement community. What is the impetus for these conversions, and what is your position on the issue?

Answer

It is my understanding that the impetus for GSA's conversion of certain multiple-award contracts to single award is to reduce costs. As Administrator, I intend to carefully examine this issue. In evaluating the conversion of multiple-award contracts, the overriding objective will be to reduce the cost of Government. To help GSA reach this objective, I will emphasize communications with customer agencies and vendors. Because Congress has demonstrated substantial interest in the multiple-awards program, GSA will keep Congress informed of its activities in this area.

Question 8

Do you believe there is a need to more closely align multiple-award schedule policy and regulations to the way the commercial marketplace works, specifically as they relate to the most favored customer concept and the Price Reduction clause?

Answer

I intend to closely examine GSA's use of multiple-award schedule contracts. As I noted previously, this examination will focus on how to reduce the cost of Government.

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Question 9

Under the Office of Federal Procurement Policy Amendments of 1983 (P.L. 98-191), the Federal Acquisition Institute (FAI) was transferred from the Office of Federal Procurement Policy to GSA. What plans do you have to use the FAI more effectively to improve the professionalism of the procurement workforce?

Answer

I am committed to the use of training to strengthen professionalism in the procurement workforce. This commitment applies not only to GSA, but also the rest of the Federal Government. I am aware of the Committee's concern that the Federal Acquisition Institute (FAI) receives high level attention at GSA. As Administrator, I will closely examine the current functions of FAI to determine what steps need to be taken to increase the effectiveness of FAI in the area of procurement training.

Question 10

In the development of GSA's "color-banding" program for multiple-award schedules, what steps do you believe should be taken to strike an effective balance between low acquisition price and total life-cycle cost?

Answer

I am not currently in a position to evaluate the "color-banding" program for GSA's multiple-award schedules. I believe, however, that in any procurement, the cost of a product over its entire useful life must be considered. In reviewing the multiple-award schedules, I intend to closely examine the "color-banding" program.

Question 11

What are your views as to the manner in which procurement of a new Government telephone system to replace FTS should proceed? What do you think are the most important considerations?

Answer

The procurement of a new Government telephone system should proceed very carefully. A decision of this magnitude must be carefully thought out, not only by GSA, but also by customer agencies and vendors. Our objective should be to acquire an effective telecommunications system at the lowest possible cost.

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Question 12

FSS is responsible for non-ADP products and OIRM handles ADP products. With the rapid advances in technology, particularly for word processors, typewriters, etc., it is sometimes difficult to determine what is ADP. Do you believe it would be more effective to assign commodity products to FSS and high-technology products to OIRM?

Answer

As Administrator, I plan to examine the division of responsibilities between the Office of Federal Supply and Services and the Office of Information Resources Management.

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V. ADMINISTRATION OF PUBLIC BUILDINGS

Question 1

In the past years, the Federal Government has been leasing more and more privately owned buildings to provide Federal office space. Do you think this is the most cost effective and productive way to provide Federal office space? If not, what steps will you take to increase the proportion of Government-owned office space?

Answer

There are some circumstances in which leasing space for the Government would be more advantageous than owning the space. However, where the Federal Government is the sole tenant and the use of the space will be for an extended period, it is usually more cost efficient to own the space. In these times of severe budgetary constraints, the Federal Government faces the problem of how to finance the ownership of buildings. When I am Administrator, I will place a high priority on finding ways to pay for Government-owned space.

Question 2

Do you believe the productivity of the Federal work force could be increased by giving increased attention to the layout and design of Federal offices? What initiatives would you support to improve Federal office and furniture design?

Answer

I believe the layout and design of Federal offices can definitely increase the productivity of the Federal work force. GSA will take an active part in initiatives to create a more attractive work environment. I will encourage the use of furniture designed to utilize space more effectively. Efficient use of technology in the office can play a major role in increasing productivity. I will emphasize improving telecommunications and increasing the use of personal computers.

Question 3

Will you give priority to the use of historic buildings, both in acquisition and leasing activities?

Answer

We have an obligation to future generations to maintain and preserve our historic buildings. This obligation can be fulfilled, however, while still meeting the space needs of the Government.

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Question 4

How do you think the maintenance of public buildings can be improved? How do you propose to improve the response time of GSA building management staff to maintenance and repair requests of Federal agencies that are "tenants" in buildings controlled by GSA?

Answer

I believe that proper maintenance of public buildings is vital both from the standpoint of preserving the structure and improving the productivity of the employees who work in the buildings. Maintenance can be improved by making the dollars designated for maintenance go further. GSA can accomplish this goal by encouraging A-76 studies and, where appropriate, delegations of authority to "tenant" agencies.

Question 5

What steps do you feel GSA can take or should be allowed to take to increase the sale of unused and unneeded Federal properties?

Answer

GSA is unable to increase sales of unneeded property unless agencies closely examine their real property inventory and declare unneeded property as excess. I believe that increased visibility and emphasis on the need to review real property holdings is needed. The Administrator has the responsibility to strongly encourage the disposal of property which is clearly surplus to the needs of the Government.

Question 6

What steps do you plan to take and do you believe GSA should be allowed to take to streamline the process of selling property?

Answer

The CCMA report on real property management made a number of recommendations regarding streamlining the disposal of real property. I will closely examine these recommendations. A CCMA recommendation which I support is the increase of the dollar value at which negotiated sales of real property must be submitted to Congress for review. Presently, if a negotiated sale of real property exceeds $1,000, an explanatory statement must be submitted to this Committee and the House Committee on Government Operations. The process creates both unnecessary expenses and delays in the disposal process. I agree with the CCMA that this threshold should be significantly increased.

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VI. PROMOTION OF EFFICIENCY AND ECONOMY AT THE GENERAL SERVICES ADMINISTRATION

Question 1

Please discuss what initiatives you plan to take to control the costs of the GSA.

Answer

Prior to making any specific recommendation in regard to initiatives to control the cost of GSA, I would like the opportunity to closely examine the day-to-day operation of the Agency. After I have formulated recommendations, I would be willing to discuss them with the Committee.

Question 2

How do you propose to make GSA into the most effective possible organization--one that is devoid of fraud and corruption and that consistently displays competence and makes judgments in the best interest of the Government?

Answer

GSA can be made into the most effective possible organization through emphasizing cooperation. First, the confidence and support of the employees is vital to maximize the potential of the organization. It is important that I work closely with the GSA employees to ensure cooperation in meeting the goals of the agency. Second, close coordination with the customer agencies is a necessary ingredient. GSA must listen to its customers if it is to adequately meet their needs. Third, a good working relationship with Congress is important. Open lines of communication between the executive and legislative branches allow both branches to fulfill their responsibilities most effectively. In this regard, I look forward to working closely with the Committee.

Question 3

What steps can be taken to make audit and investigations oversight of GSA procurement more effective?

Answer

It is important to me that every dollar spent by GSA is spent effectively. I will make every effort to ensure that sufficient resources are available to eliminate waste, fraud, and abuse. In addition, I will closely review GSA procedures and policies to determine that the Agency's resources for audit and investigations are being used in the most effective manner possible.

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VII. RELATIONS WITH CONGRESS

Question 1

If you are confirmed, do you agree without reservation to appear and testify before any duly constituted committee of Congress?

Answer

Yes.

Question 2

Are you willing to provide such information as is required by such committees?

Answer

Yes.

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QUESTIONS OF SENATOR THOMAS F. EAGLETON

Questions on "Tilted Arc"

1. What would be your position on the following:

-- if there was a binding contract between Richard Serra and the government would you have decided to remove it?

-- if to remove the art would be to destroy it, as the artist says it would, would you remove it?

-- should the artist be consulted as to this and who should make the decision whether the work would be destroyed if moved?

Answer:

I am a strong supporter of the Art-In-Architecture Program. It is my intent that, if confirmed as GSA Administrator, I will spend time reviewing the circumstances of "Tilted Arc" and talking to the experts and people involved in the program to become as informed as I can. I then can make the appropriate decisions as needed.

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2. If the hearing process which resulted in the decision to remove was seriously flawed, such as if the Regional Administrator had prejudged the issue, what would your position be?

Answer:

I believe strongly that GSA, similar to any Government agency, must provide a full and fair opportunity to be heard on major issues of public concern.

3. What consideration should be given to the fact that two-thirds of those who spoke at the hearing, including many serious and highly regarded people, supported the work and expressed deep concern about the prospect of its removal?

Answer:

History has shown that art is, by its nature, controversial. Many works of art which are now highly regarded, were originally condemned. The opposite is also true. I don't believe it makes sense simply to take a vote on the value of a piece of art.

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4. What consideration should be given to the views of many leading figures in the arts both nationally and internationally who expressed deep concern at the prospect of removing the art?

Answer

I believe GSA has an obligation to seek and to listen to the views of all concerned parties.

5. What weight should be given to the commitments previously made to the other 200 artists who participated in the "Arts in Achitecture" program?

Answer:

GSA has commissioned photography, abstract, and realist sculptures, fountains, earthworks, ceramic work, and light works . . . a broad spectrum that has contributed towards making this Country the acknowledged "World Capital of Art."

6. Will they and other artists lose confidence in the program, as Claes Oldenburg said they would, if the work is removed?

Answer:

Any decision to remove a piece of art must be based on an careful anaylsis. There may be some unusual circumstances when a piece of art would have to be removed. In such circumstances, the need for removal should be clear, and therefore, not affect the basic credibility of the program.

7. Do you agree with the recent presidential citation which was awarded to the "Arts in Architecture" program for its courage in supporting the independence of artists even in the fact of opposition?

Answer:

I am a strong supporter of the Art-in-Architecture Program. Its successful operations, although not always without controversy, resulted in the President's Award for Design Excellence this past January. And the jury's citation in recommending this program's ten years of accomplishment for the Presidential Award recognized that controversy has played a part in the development of the program.

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8. Do you expect to energetically support the "Arts in Architecture" program?

Answer:

Yes.

9. Should an objective of the program be to encourage and help provide resources for major works by American major artists?

-- or should the program simply seek out decorative art for the purpose of pleasing those who are located in adjoining federal buildings?

Answer:

I believe that the Art-in-Architecture program must support both major artists and promising talent. It must strive to reflect the diversity of America.

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10. Should the process of selecting artists and art under the program involve our best minds in the arts and should it strive for artistic excellence?

    -- in this respect how much local input should there be in relation to this kind of selection process?

Answer:

This program must strive for excellence and for providing for a variety of works of art. It is important that there be a wide variety of views considered and that there be local input from the communities where GSA commissioned art works are to be placed.

11. Can this be done and how realistic or difficult is it if the program is to strive for excellence and courageously support leading artists in the development of their art?

Answer:

I believe that it can be done and has been done as epitomized by the President's Award for Design Excellence.

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Questions on Federal Ownership of Space

1. I understand that the federal government today spends $845 million annually to lease office space. With no changes in population or space, I further understand that the cost will increase to $1.5 billion by 1991 and to $2 billion by 1995.

   -- Should the government be spending these massive sums leasing space from the private sector?

   -- How could we build more property, save leasing costs, and still maintain the flexibility that lease arrangements provide us?

Answer:

There are some limited circumstances in which leasing space would be more advantageous than owning space. However, where the federal government is the sole tenant and the use of the space will be for an extended period of time it is usually more cost effective for the federal government to own the space. I believe that the federal government should reduce the amount of space it leases and increase, correspondingly, the amount of space it owns. As soon as I arrive at GSA, I will ask the Public Building Service to evaluate alternative ways of increasing the amount of owned space, including increasing the acquisition and construction budget, financing through the Federal Finance Bank, and lease/purchase arrangements with municipal governments.

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2. How much, as a percentage of the GSA budget, should the government commit to capital construction? How much is commited now, and how does this compare with, say, your experience at Trammell Crow?

Answer:

I am unable to answer the first part of this question fully at this time. I will be in a better position to answer this question after I arrive at GSA. In many cases it would be more desirable to purchase a building rather than to construct it. It may also be concluded that it may be more desirable to finance new construciton off budget through the Federal Finance Bank rather than on budget.

GSA's construction and acquisition budget for FY 1985 is $175 million (7.4% of the GSA budget). The Trammell Crow Company (commercial operations only) will expend approximately $2 billion on new construction during calendar year 1985.

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3. What kind of legislation will you need if you start the government on a major capital building program, and how do you recommend financing such a program?

Answer:

In these times of severe budgetary constraints, the federal government must face the problem of financing its ownership of buildings. I will review expeditiously the current legislative framework to determine if it provides the necessary authority for us to develop a sound program. Central to this review will be the development of appropriate financing mechanisms. I look forward to working with you on this effort and will forward to you my recommendations on this as soon as they are available. This subject will be given high priority.

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QUESTIONS FROM SENATOR GORE

Question on Hyattsville Move

1. Mr. Golden, it was reported in Sunday's Washington Post that a building the GSA decided to vacate some two years ago is still under lease to the government for $79,000 a month, but is still empty. This account also stated that while you were Assistant Secretary of the Treasury for Administration, you were the person who delayed having he Treasury Department move in. Is that true?

   What was your reasoning for seeking this delay?

Answer:

-- For several years, and indeed prior to my coming to Treasury, the Financial Management Service had been working on a plan to consolidate its Washington operations from seven locations to one or two. The Department of the Treasury, the General Services Administration, and the Office of Management and Budget all ultimately agreed with the Service's plan and a prospectus was forwarded to the Congress along with the President's Fiscal Year 1985 budget.

During the time the prospectus was being reviewed by the Congress, GSA's National Capital Region proposed that the Service consolidate all its operations at Prince George's Center. The Financial Management Service, however, was opposed to this proposal because it would make contact with user agencies difficult and because the building was not equipped for a major computer operation.

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Hyattsville Question Continued

It should be noted that the Financial Management Service (FMS) does the central accounting, cash management and credit management for the federal government. As a result, major elements within FMS interact with other government agencies on a daily basis. FMS has more interactions with other agencies in government than any other agency in Washington. Secretary Regan felt strongly that those elements within FMS that did interact with other agencies on a daily basis remain in the District. The dollars spent on higher leasing costs would be more than offset by the dollars saved through better cash management and credit management. Too much time would be wasted by FMS personnel commuting between Hyattsville and the federal agencies in the District.

The Conference Committee on the Fiscal Year 1985 Appropriations Bill issued report language in September 1984 directing that the Service utilize the Hyattsville space. The report, however, recognized that certain Service operations could remain downtown. The Fiscal Year 1985 Continuing Resolution, passed in October 1984, later incorporated the same language. The FY 1985 Budget did not include the funds necessary to pay for the move.

The Service, Treasury and GSA then began negotiations which resulted in a memorandum of understanding, signed in January of this year, which calls for the Service to occupy 187,000 square feet in Hyattsvlle and for the remainder of its operations to be consolidated at a downtown site. We kept the Congress fully informed of these discussions and Treasury's Appropriations Committees have supported this agreement.

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Hyattsville Move Question Continued

In February and March of this year, after the agreement with GSA, we developed the estimated costs for the move, and secured OMB approval. A budget amendment was forwarded to the Congress in May. The Congress is now considering a Fiscal Year 1985 supplemental appropriation of $6 million to furnish and equip both sites. Until this supplemental appropriation is approved, FMS cannot move to Hyattsville. The statement contained in the Post that I negotiated a six-month delay is not true. I was responsible for negotiating a reasonable compromise between GSA and FMS. This compromise was approved by the Congress. There was no delay involved because both GSA and Treasury understood that the move was possible only when adequate funding was available. Treasury moved as expeditiously as possible in securing that funding through an FY 1985 supplemental. The written compromise agreement between GSA and Treasury clearly spells out the funding requirements and recognized that the move could only be made when adequate funding was available.

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Questions from Senator Gore

2. What will you do at GSA to clear up this waste of taxpayers money?

Answer:

I am determined to work with the employees of GSA to reduce the costs of government, and therefore save the taxpayers' money. If I am confirmed as Administrator, I plan to carefully review and evaluate, with the assistance of Senior GSA staff, the leasing and finance structure of GSA's leasing program.

I also beieve this episode illustrates the need for good communications between GSA and its client agencies. GSA has already taken significant steps in improving its communications. For example, last year, GSA held a "Partnership in Administration" Conference in Leesburg, Virginia to enable GSA to better identify and understand client agency needs and concerns. The conference, which was attended by over sixty agencies, made substantial progress in opening lines of communication. I want to further these efforts to improve communications. I will strive to increase the participation of agencies not only in establishing goals and objectives for GSA, but also evaluating GSA's performance in meeting those goals.

QUESTIONS OF SENATOR ROBERT T. STAFFORD

Question on Regional Organization

1. Under current organizational arrangements the eleven regional offices report directly to the Office of Operations. The Committee on Environment and Public Works is concerned that this structure leaves the service commissioners with little or no control of the regions and divides responsibility and accountability in GSA. Would you shift more responsibility over the regions to the service heads?

Answer:

I am aware of concerns about the division of responsibility between various components of GSA. I believe the Administrator of GSA has the responsibility to reduce the cost of government and must establish policies which ensure that GSA's organization is operating efficiently and effectively. I will review GSA's organization and organizational structure as soon as I become Administrator. The roles of the commissioners and the regional administrators do need to be clarified.

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Question on GSA Leasing Budget

2. For a number of years the Committee on Environment and Public Works has called attention to the staggering increase in the GSA leasing budget. Do you have any management or legislative initiatives to reduce the Government's reliance on the expensive lease market to fulfill its space needs?

Answer:

Where the federal government is the sole tenant and the use of space will be for an extended period of time, it is usually most economical for the federal government to own the space. One of the most diffficult issues because of budgetary constraints is the financing of government-owned buildings. If I am confirmed as Administrator, I will work closely with others in the Administration and Congress to develop innovative ways to finance the ownership of buildings.

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Question on National Buildings Policy

3. The Environment and Public Works Committee has been working to enact legislation toward developing national buildings policies and reforming Congressional authorization procedures for public buildings. Will you be able and interested in working with that Committee in this endeavor?

Will you support changing current public buildings authorization procedures from the piecemeal prospectus approval procedure to an annual authorization based on sound, long-range planning?

Answer:

I believe strongly in the need for government to develop improved long-range planning capabilities. One of my principle priorities as Administrator will be to develop a long-range planning process for GSA which will allow it to improve its decisionmaking process for constructing buildings. As part of this process, I will review building authorization procedures. I look forward to working with the Committee in this effort.

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Chairman ROTH. Thank you. Mr. Golden. We appreciate the offer of Matthew to back you up where needed.

As I indicated earlier, members of this committee have already asked some prehearing policy questions, and your responses have been placed in the record. There are several areas of questioning, both of a personal and policy nature, that I would like to pursue, and then I will turn the questioning over to Senator Eagleton.

Mr. Golden, the biographical information you supplied to the committee indicates that you were the managing partner of Trammell Crow Residential Property from 1976 until March 1984, when you were appointed Assistant Secretary of the Treasury for Administration.

Is that correct?

Mr. GOLDEN. That's correct.

Chairman ROTH. Could you tell the committee a little about your responsibilities and Trammell Crow's activities?

Mr. GOLDEN. The Trammell Crow residential companies were involved in all phases of residential development. The companies, and their affiliates and subsidiaries, built apartments in a number of States all across the United States.

We built, in the last years, approximately 7,000 apartments per year. In addition to that, we managed apartments in, I think, some 24 out of the 48 continental States, and managed some 40,000 apartments.

The company was also involved in single-family lot development, and in association with the residential companies, I was the chairman and participated in the Trammell Crow Distribution Corp., which is one of the largest public warehousing and distribution companies in the country. We were also involved in real estate brokerage; investment banking; mortgage banking. We also did some work in syndications and were generally active in the residential area.

The one point I would like to make clear, though, is that my involvements, with few exceptions, which I will enumerate in a minute, were in the residential area. Some of my partners, principally Trammell Crow and his family, his immediate family, are also actively involved in commercial real estate. I was not a part of the Trammell Crow Co. or any of the commercial activities.

My primary area of focus was in the residential area. Our companies did build three office buildings, two office buildings which were office buildings that primarily housed residential companies and their staffs; the third one was built at the request of Trammell Crow in Atlanta. That is really my only involvement in commercial real estate other than the Trammell Crow Distribution Corp. which I identified as a public warehousing operation.

Chairman ROTH. It is my understanding that you are no longer the managing partner of the Trammell Crow Residential Co., but that you do intend to continue or maintain your ownership interest in approximately 115 partnerships and 25 small business corporations involving Trammell Crow real estate activities.

Could you tell me whether that is correct and what is the interest?

Mr. GOLDEN. That is correct. Basically, when I left the Trammell Crow Residential Co., I resigned as the managing partner and, in

fact, they brought in a new person to take over my role there. At the same time, I resigned from my position in all of the operating companies, and I resigned as an officer and a director of all of the companies that I have identified. I believe we have included a detailed list in the forms that you provided me.

What I did do and what I thought was reasonable is to maintain my ownerships and the partnerships and the current projects that I was involved with. And as I indicated before, with the exceptions I have identified, they are, in fact, residential properties.

Chairman ROTH. Do any of these companies have any kind of contracts with GSA? I understand, from what your just answered, that these partnerships and corporations are essentially in residential but not commercial real estate.

Mr. GOLDEN. That's correct. In the case of the office buildings and the warehouses, public warehousing company, I did inquire from the managing partners of those specific entities, the persons responsible for those entities, specifically, whether they were currently doing any business with GSA. I received the response that they were not.

In addition, after I explained to them where I stood and the potential that might exist with those office buildings and with the warehousing company, each of them individually, in their capacities as either the managing partner or the president of the companies involved, wrote me letters indicating that, during my tenure as the Administrator of the GSA, they agreed not to do any business with GSA.

So, in regard to the few, and, I repeat, three office buildings and a public warehousing company where there was a potential, those individuals had agreed not to do any business with GSA.

Chairman ROTH. Mr. Golden, one of the areas of great concern to this committee for any nominee is whether there is anything in a nominee's background which might present or appear to present a conflict of interest with the duties of the office to which he or she may be nominated.

Do you believe your continued holding of these interests in Trammell Crow residential partnerships and corporations might present a conflict or the appearance of a conflict?

Mr. GOLDEN. No, I do not.

Chairman ROTH. Would decisions involving the lease or sale of property by GSA to Trammell Crow companies be likely to come before you as the Administrator?

Mr. GOLDEN. Let me make a distinction here. I think your first question really related to the assets and the properties I owned and whether they would present a conflict of interest with the GSA.

I would just like to emphasize again that all of my involvements, with the exceptions of the items that I have identified, are in the residential area. In that regard, I don't see that there is any way that GSA, at least under my command, is going to get involved in residential real estate.

The question that you just raised is a different question, and that is, the question of appearance of conflict of interest. The one situation I have that concerns myself and certainly, we have discussed it with your committee at great length, is the issue of appearance of conflict of interest. That relates to the fact that several of the prin-

cipal partners in my partnerships in the residential area are also very active in commercial real estate, and that principally is Trammell Crow and his family.

I would say in that regard that I am very much concerned about issues related to the appearance of conflict of interest and have worked with the staff and will instruct GSA, if and when I arrive there, to recuse myself from any actions involving any of my existing and past partners and any partnerships in which the Trammell Crow commercial enterprises are involved.

Chairman ROTH. It is my understanding that you are willing to sign a letter of recusal; is that correct?

Mr. GOLDEN. Yes; that's correct.

Chairman ROTH. Do you have a copy of that?

Mr. GOLDEN. There is a copy here; yes.

Chairman ROTH. I think it would be helpful, because it is such an important matter, if you would read that aloud for the record.

Mr. GOLDEN. The letter reads as follows:

Dear Mr. Chairman, if I am appointed Administrator of General Services Administration, I undertake to disqualify myself from participating in my official capacity in any particular matter that could affect or reasonably appear to affect my private financial interests or those of my immediate family and members of my household.

To that end, I shall notify my immediate staff and key officials of such financial interests and direct them to refer all such particular matters to the Deputy Administrator. I shall direct the Deputy Administrator to handle all such matters without reference to or discussion with me.

Recognizing that a partner of mine might have a financial interest in an entity extrinsic to our partnership that could seek to do business with the General Services Administration, I shall notify my key officials of the identity of each of my known partners so that I may likewise be excluded from knowledge of and participation in a particular matter involving such partner.

Accordingly, I will recuse myself from participating in any particular matter in which the Trammell Crow group or its subsidiaries or affiliates has a financial interest.

In addition, there may be other matters before GSA now or in the future in which an entity with which I was formerly affiliated may have an interest. It is my understanding that, if I have no continuing financial interest in these entities, applicable statutes would not require rescusal in matters of this kind. Nevertheless, I may decide on a case-by-case basis to recuse myself from participation in certain of these matters to avoid any appearance of impropriety or conflict of interest. These decisions would depend on such considerations as the nature of the matter itself and the extent and circumstance, both in my prior partnership affiliation to the entity involved and of that entity's interest in the matter in question.

Chairman ROTH. It is my understanding that under this letter you would recuse yourself from participating in any decision which would involve any partnership or company in which you have a financial interest.

Mr. GOLDEN. That is correct.

Chairman ROTH. How about a decision involving one of your partners?

Mr. GOLDEN. He would also.

Chairman ROTH. If you have no interest, but one of your partners does?

Mr. GOLDEN. It would also include one of my partners.

Chairman ROTH. What about Trammell Crow of his family?

Mr. GOLDEN. Since he is the partner in virtually all of the projects I'm involved in, it would include Trammell Crow and his family.

Chairman ROTH. There are a substantial number of partners involved in these partnerships, not only those in which you are financially involved, but those in which you are not. How will you handle those names?

Mr. GOLDEN. As far as the partnerships and the partners that I have, I have provided the Governmental Affairs Committee, and I will provide GSA a list of those partners, and that list will be maintained on a current basis so that GSA should have complete listings of my partners.

In addition, GSA will have and does now have a procedure in place where they identify who owns the entities that we are doing business with, and they will make a match between those two lists and make sure that——

Chairman ROTH. I would emphasize that I think it is critically important that there be immediate declaration of any new partners on a daily basis because of the possibility that something could fall in the cracks that might lead to a perception of conflict. So I think how you keep that current is extremely important.

Mr. GOLDEN. Senator, let me say that I am looking forward to working and being involved in Government, and it will be an educational experience for me. I hope to make a contribution. But the one thing I can't afford to lose is my reputation. This is an important issue for me.

Chairman ROTH. Just for purposes of the record, this letter also covers any Trammell Crow subsidiaries or affiliates in which you have no financial interest; is that correct?

Mr. GOLDEN. It covers any subsidiaries.

Chairman ROTH. Trammell Crow subsidiaries?

Mr. GOLDEN. It covers subsidiaries even though I don't have a financial interest because they do, in fact, involve Trammell Crow and his family and individuals who are partners of mine. That is correct.

Chairman ROTH. I am going to ask one more question, and then I am going to defer to my colleagues. They may have some questions that they want to ask in this area or otherwise.

But since you are removing yourself from decisionmaking in these cases, who will handle that? What will be the procedure within GSA?

Mr. GOLDEN. The details, I would have to say, we are going to have to work out within GSA as soon as I get there. I might add, a majority of the decisions never get into my office on an individual lease or transaction. But the decisions that do reach the level of the Administrator which would be those decisions where I have recused myself would be handled by the Deputy Administrator.

Chairman ROTH. Then one further question. In your last paragraph, you say that you may decide on a case-by-case basis to recuse yourself from participation in matters that might provide any appearance of conflict of interest.

If you have any question in your own mind as to whether that is a possibility, who would you seek counsel from?

Mr. GOLDEN. I think I would seek counsel at GSA, basically, and if I had any questions or if they had any questions or uncertainty, then we would get to those entities in Government who make a specialty out of dealing with these issues.

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Let me say that from my point of view, my reputation is the most important consideration. Any time I have a sense that I am in a situation where there is not a conflict of interest, but appearance of a conflict of interest, given the environment which we live in today, I am going to go out of my way to make sure that it is properly dealt with and that I stay as far away from that decision as I possibly can.

Chairman ROTH. Senator Eagleton?

Senator EAGLETON. I am going to yield at this time, Mr. Chairman, because apparently I have, as you do, several questions for the record. But in the interest of time, I would like to yield first to Senator Gore and then to Senator Levin, and then I will tidy up the record, if that is all right.

Chairman ROTH. That is fine.

Senator Gore?

Senator GORE. I appreciate that, Mr. Chairman.

Senator Eagleton, thank you very much.

As I said at the outset to Mr. Golden, I view your nomination as posing a particularly delicate challenge for the committee. Our mutual friend, Senator Gramm, introduced you eloquently, but in the process said he admired your willingness to give up an opportunity to make much more money in the private sector to come and participate in public service.

Now, there is nothing necessarily wrong with that, but it means that we have to look carefully at those activities to make certain that they are not going to pose a conflict. You have been in Government service for 1 year already; is that correct.

Mr. GOLDEN. That's correct.

Senator GORE. And during that time, you have made approximately how much money in the private sector?

Mr. GOLDEN. I'll be honest with you. I couldn't answer that question.

Senator GORE. Approximately $2 million or more?

Mr. GOLDEN. I would say that I have made in that range, yes.

Senator GORE. And you made that as a managing partner in 115 partnerships and as an officer in 25 corporations; correct?

Mr. GOLDEN. Well, let me clarify that. I have resigned as an officer and a director in all of the corporations. If I could, I think——

Senator GORE. What about the partnerships——

Mr. GOLDEN. Let me provide a little perspective on that.

Senator GORE. Sure.

Mr. GOLDEN. I think that it would be of benefit to all of us.

Basically, when I left the Trammell Crow residential companies, I left as the managing partner, and I, at that time, severed my relationship with all of the operating companies. Basically, when I left, what I was left with is an ownership in the projects that were already underway or where I might have an interest in land where two, phases of it might be developed and several phases left to go.

I am benefiting to the extent that I have benefited. In the time since I have been in Government service, it has been from the sale of existing assets and the operations of assets in which I had a prior financial involvement.

I would like to make it clear that I did make a significant change in coming to Government. I left the opportunity to continue to be a

partner and to be an owner in some 7,000 or 8,000 apartments that are built each year by that company, by 4,000 or 5,000 lots that are built, by the development and management of a large real estate undertaking.

So I am not involved in the new deals or the new transactions that are undertaken by the Trammell Crow residential companies.

A person came in to take my place there who is involved in reaping the rewards and the risks associated with that.

What my interest is, is the interest in the real estate that I own that is operated. In many cases over the past year, the significant dollars represent the results of our selling some assets that had matured and our desire to gain some liquidity and put ourselves in a better position financially for the more difficult real estate periods we anticipated to have.

Senator GORE. So it is, in your view, a sacrifice in that instead of making only $2 million a year, you could make substantially more than that by continuing your former activities on a full-time basis?

Mr. GOLDEN. Well, you know, I did make $2 million.

Senator GORE. There is nothing wrong with that.

Mr. GOLDEN. I am not ashamed of that.

Senator GORE. Nor should you be. I am just putting the spirit of sacrifice in perspective here.

The investments are not just passive investments, are they? If they were just passive investments that are going to mechanically mature and play out the course of the investment, then you would be willing to put them in a blind trust the way most nominees have in similar circumstances.

But your reasons for refusing to put these investments in a blind trust was because you want to keep the right to manage them and to make the decisions and to follow them carefully during the course of your Government service, correct?

Mr. GOLDEN. Let me clarify there. As far as the management specifically of the assets that I have in place, I have given to a senior individual in the Trammel Crow residential companies, Michael Crow, my power of attorney, and I have a controller who operates full time and works with him on those assets. So that in terms of my day-to-day involvements with the holdings that I own, I am not active on a day-to-day basis.

The reason why I did not want to have them put in a blind trust is a fairly simple one. I didn't have anything to do with my wanting to be an active manager on a day-to-day basis. One is that I sense if we are talking about the issue of conflict of interest, that these residential properties were not in any way involved with GSA; that the business of GSA does not involve interaction with residential properties, and that many times, blind trusts are involved because the assets involved do, in some way, interfere or conflict with the agency that is involved.

In my case, they did not. Also, from a management point of view, I have made arrangements to not be involved with the day-to-day management of the entities involved. So I think those are the major reasons.

From my own personal point of view, what I do want to have the ability to do is understand where they are on occasion so that if the world changes and things do change economically for me or for our

country and the like. I have the ability to decide when it is better, in my interest, to be out of Government and be back at my business.

Senator GORE. I can accept that explanation, but I am more comfortable having it spelled out on the record of this hearing. I think the complexity of this nomination is almost unprecedented.

But the opportunities which you can create at the GSA may be unprecedented, as well.

Just to pin that down, how much time do you intend to spend on these 115 partnerships while you are at GSA? Is it fair to say that just a minimal amount of time will be required in your opinion?

Mr. GOLDEN. I would say that is a fair statement.

Senator GORE. All right.

The other concerns, in addition to the amount of time involved, have to do with the potential conflicts which the chairman has covered. But just to review them very briefly, the four partnerships that are involved in commercial real estate have agreed not to have any dealings with GSA during the time of your tenure at GSA, correct?

Mr. GOLDEN. That's correct.

Senator GORE. And the other 111 residential partnerships will not have any dealings with them in any event, because they are residential, correct?

Mr. GOLDEN. That's correct.

Senator GORE. The letter of recusal is intended to prevent you from participating in any decision that might affect Trammel Crow or any of the Trammel Crow Enterprises; correct?

Mr. GOLDEN. That's correct.

Senator GORE. Now, the second, the other step is to provide a list of all of your other partners to your assistants at GSA so that any dealings affecting them will automatically be routed away from you so that you will not participate in them; correct?

Mr. GOLDEN. That's correct.

Senator GORE. I guess I have some residual concern about the practicality of that arrangement.

How many general and limited partners do you have in these 115 partnerships?

Mr. GOLDEN. I am afraid I could not give you the answer.

Senator GORE. Could you give a ball park estimate, 1,000?

Mr. GOLDEN. I would say certainly it is less than 1,000. It is probably in the order of 300, 350, something like that.

Senator GORE. 300, 350?

Mr. GOLDEN. I think so. That is just a real ball park.

Senator GORE. It is going to be difficult for your assistants to keep track of a list of 350 people.

Mr. GOLDEN. I am saying if you have to keep track, I think we have the capabilities within GSA, as I understand it from GSA, to accomplish that task. I think they have got it fuliy computerized. It is a question of matching names against a known list.

Senator GORE. In any event, you pledge to do so, and you believe it is important to devote the resources and time in order to make certain that takes place; correct?

Mr. GOLDEN. I believe it is essential.

Senator GORE. All right. Two other areas of questions, here.

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It is reported in the Washington Post that you approved the sole source purchase of an IBM main frame computer for the Treasury Department from the Federal Home Loan Mortgage Corporation, better known as Freddie Mac. On May 16 an administrative law judge at GSA overturned the decision, stating that since Freddie Mac was not a Government agency, the sale was not an intragovernmental deal, and therefore, the sale had been improperly sole source. What was your justification for sole sourcing this purchase, and is it an indication of a preference for sole sourcing as you move into GSA?

Mr. GOLDEN. Well, there are a number of difficult questions. Let me say first of all, as far as my involvement with what you referred to, with that specific case, what I did specifically, my total involvement with it until it became a matter of issue with the court of appeals, the GSA Board of Contract Appeals, was to request the delegation of authority from the GSA to take this action. And I will say that that was just one of a number of documents of a similar nature that I signed on a day-to-day basis.

Senator GORE. Is it true that the computer is still not in use, that it has been——

Mr. GOLDEN. I believe that is the case. I would also say that as far as I'm concerned, I would like to make it clear to this committee one major point, and that is, that I think that there is a tremendous benefit to increasing the amount of competition in contracting and that as the Administrator, I am very much in support of that particular situation.

I would say that this particular case is an example of an area where clearly—and I'm not trying to identify fault in this particular case—but clearly, the taxpayer lost and it didn't work out well.

To be in a situation where the Treasury Department and GSA are in conflict and are, in fact, on opposite sides of an issue before an appeals court is evidence of a breaking down in communications. The basic fact of the matter is that the Treasury Department, when they did it, believed that for procurement purposes that Freddie Mac was a Government agency.

Our understanding of Freddie Mac, and I think Secretary Pierce's, is that it is a part of the Government. The individuals that work at Freddie Mac are employees of the Government; they receive a Government check; and for a number of statutes, Freddie Mac is viewed as a Government agency. I think our perspective is that if it walked and quacked like a duck that we thought it was a duck at Treasury.

The reasons, the basic fundamental business reasons why that action was taken—and this is where I feel that the taxpayer lost in this particular case—is that we were, at that time, leasing space on a computer, and I think it was costing us some $5.2 million a year. We were able to acquire the computer from Freddie Mac for $4.2 million, and we would have been able to buy that computer for the same cost that we were expending leasing the computer, and we would have been able to do it, and we had the money. Rather than using the money that was included in our budget to lease a computer, we would have been able to buy the computer.

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We would have saved 2 years, in which time, had we gone through normal procedures, we would have had to continue to lease at the rate of $5.2 million space on that other computer.

My sense of it is that in the overall, although it made perhaps good legal sense, it may have been a big turf issue that the taxpayers of the United States were the net losers, and the message we should get from it, both at Treasury and at GSA, is that we greatly need to improve our communications and work closer together so that situations like this can be avoided in the future.

Senator GORE. There is some substantial dispute. I don't want to belabor the point, but the tax status of Freddie Mac changed as of January 1, and the one version of this is that they were trying to dump the computer prior to January 1 to avoid having the taxable income in that year.

Mr. GOLDEN. Let me say, I think that it still rests with the case that as far as Treasury and the Government is concerned, had we been able to accomplish it, the taxpayers of the United States would have been just that much further ahead.

Senator GORE. As I say, there is a dispute about that because of the effect on Freddie Mac's taxation, and also the computer is still not in use. It has been 6 months, and it is not being put to any use.

Let me move on. Because there is an outgrowth of this episode that is troubling to me, and I want to ask you about it. The Washington Times reported that you instructed your assistant, Susan Brita—you have an assistant named Susan Brita?

Mr. GOLDEN. Susan Brita, yes.

Senator GORE. Your assistant, Susan Brita, contacted GSA officials immediately after this newspaper story appeared and demanded to know just who was responsible for the appointment of the administrative law judge who made the ruling, Cyrus Phillips, and wanted to know whether or not you would have the authority to fire the administrative law judge upon taking control of GSA.

Is that true?

Mr. GOLDEN. Let me state categorically that I never made any such request of Susan Brita; that would not be my practice or policy, and it is a frustration for a person to be in this town and put up with that. I can say from Susan Brita's point of view, asking her the question directly, did she take that action, the answer is no. It is frustrating and upsetting to me that things like that appear and then it is so easy to get items like that in the press.

Senator GORE. I accept your answer, because I'm aware that there has been some misinformation involved in the scrutiny involved here.

I had one other question, but I will submit it for the record, Mr. Chairman. It involves the building out in Hyattsville, and I won't go into it now. But I would like to get the response for the record, and again, I would like to say, in closing, Mr. Chairman, that the staff of the committee and members of the committee have really spent a lot of time on this.

When I was first confronted with all the facts, I thought there was no way that this nominee could avoid running into a conflict.

But I now believe there is a path that can be followed if extreme sensitivity is used, and if the record established in this hearing is used as a guide I do believe that. We can secure the benefit of this

nominee at GSA and avoid the conflicts that are potential but avoidable.

Thank you, Mr. Chairman.

Chairman ROTH. Thank you, Senator Gore. I want to express my appreciation to you for the interest you have taken in the matter, and I share your concern but also optimism that we can proceed and get qualified people to serve in responsible positions.

Senator Levin?

Senator LEVIN. Thank you, Mr. Chairman. Mr. Chairman, I understand that there is an 11 o'clock briefing relative to the hostages, and I would like to go to that briefing, but I do have questions for the witness. I would like to know what the plans are.

Chairman ROTH. It is my intention to proceed.

Senator LEVIN. I understand the Senate is not in session at 11. We are going out so we can participate. I feel obligated to be at that briefing, given the fact the Senate is not even in session.

Senator EAGLETON. I think all of us would like to be there. I think if Senator Roth wants to continue, I will stay, and I think we should, for the record, because as Senator Gore points out, I think it is important for this committee and, I think, equally important for Mr. Golden, that we have as tight a record as possible with these conflict of interest matters. I think that we are going to be going another 45 minutes or so. So I would suspect you could go and come back.

Senator LEVIN. You expect that you will be going at least that long?

Senator EAGLETON. Yes.

Senator LEVIN. That would be fine.

Senator EAGLETON. Are they up in Valhalla? [Laughter.]

I think phones ring in there. They have these funny phones. In some they ring in and some they don't dial out. I think those are ring in if she can get one.

Senator LEVIN. That would be fine, if you would notify me when my turn comes.

Chairman ROTH. We will be happy to do that, Senator.

Senator LEVIN. Thank you.

Senator EAGLETON. Do you want me to start off or have you got some more? Do you want to pick up? Go ahead.

Chairman ROTH. All right. Some of these questions have been alluded to before, but just to ensure that they are a part of the record. I would like to repeat.

Mr. Golden, as has been indicated, many Presidential appointees in the past have been willing to divest themselves of certain of their assets or to place the assets in blind trusts. Are those methods of dealing with potential conflicts ones you would consider, and if not, why not?

Mr. GOLDEN. Again, just to repeat myself a little bit, I believe with all of the assets that I have, and we have dealt with the exceptions and we have discussed those, that they involve residential real estate, and as a result, aren't in conflict of interest with GSA and that the only question I think that remains that the committee clearly pointed out was, how are you going to manage these assets, and is that going to take the time away from GSA?

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And my point there is that I have delegated my power of attorney to someone and have people in place that manage those, and I will not be involved on a daily basis. My involvement from the time point of view will be very minimal.

Chairman ROTH. Let me ask you. You have been in the Treasury now for 1 year?

Mr. GOLDEN. Yes.

Chairman ROTH. Do you think your continued partnership interests have interferred with your duties as an Assistant Secretary at the Treasury?

Mr. GOLDEN. I would say that I don't believe they have interfered at all.

Chairman ROTH. Have you any estimate as to how much time you had to spend during that period?

Mr. GOLDEN. I have probably spent maybe 1 hour a week, and I am not even talking about necessary business time, but 1 to 1½ hours a week.

Chairman ROTH. Total? Total hours?

Mr. GOLDEN. Yes.

Chairman ROTH. Mr. Golden, your biographical information also indicates that you were an officer and director of a Palmas del Mar Co. and Palmas Realty Corp. in Puerto Rico from 1973 to 1976. Is that correct?

Mr. GOLDEN. Yes, that's correct. I came in 1973 and left in 1976, and at that time resigned as an officer and director and sold my interest shortly thereafter in the company itself.

Chairman ROTH. Was this the beginning of your experience in the real estate business?

Mr. GOLDEN. That's correct.

Chairman ROTH. What type of real estate activities were those companies involved in?

Mr. GOLDEN. Shortly before coming there, I had received a call from a classmate of mine in school. He had indicated that an opportunity was available in real estate, and I had a long-term interest in being in the real estate business, and that it was a company in Puerto Rico that was having some financial difficulties. He asked me if I would come down and work as the chief financial officer of that company and in the capacity, see if I couldn't help the situation out.

When I arrived there, what I discovered is that the company was, in fact, in significant financial difficulties and that, coupled with the oil embargo and the interest rates and the crisis that occurred in early 1974, that the company was having extreme difficulties, and it entered into a workout situation with its various banking institutions.

I was identified by those institutions as the person that would assume responsibility for the continued management of those assets, and we, in fact, formed a company called Palmas Realty Corp. to acquire Palmas del Mar from the former company that owned it. I was the president and owner in Palmas Realty Corp. and essentially, that held Palmas del Mar and managed it for a period of time, really, as an aid and assistance to the banks, being compensated by the banks for that service.

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Chairman ROTH. Why did you leave the company for a position with the Trammell Crow in 1976?

Mr. GOLDEN. Basically, I was getting to the point where our oldest son was getting to be of school age, and there really wasn't, in our estimation, adequate education in Puerto Rico, and I had an excellent opportunity with Trammell Crow.

Chairman ROTH. Do you have any continuing financial interest in or association with or any kind of associations with Palmas del Mar?

Mr. GOLDEN. No, I do not.

Chairman ROTH. As a general partner of the various Trammell Crow real estate partnerships, I understand that you have extremely large contingent liability due to personal guarantees of partnership loans. In addition, you have other contingent liabilities which could be substantial because of guaranteed operating deficits tc limited partners and uninsured litigation recovereries; is that correct?

Mr. GOLDEN. I would first maybe take a little issue with large. It's large, but it is relative for what we do, and I think as a person in real estate, I do have some significant contingent liabilities related to that real estate.

I would, however, say at the same time that the majority of the real estate that I was involved with—and I am speaking here principally from a dollar point of view—the apartments that I was involved with, that most of the long-term financing associated with that had exculpation language in it so that after a period of the completion of the construction or 1 or 2 years of operations, my personal liabilities associated with that went away.

As to those liabilities that I do have today, let me say this: That our companies and each of the individual companies has, within it, a working capital pool, which is designed to provide it with liquidity to deal with problems and to deal with problem markets or a problem project or whatever.

So from my point of view, my sense of it is that the pools, the liquidity that each of the companies has within it is sufficient to deal with the needs of the individual projects. I would include, within that, our sense that there is a potential in the real estate industry as has been proven in the past that it has its ups and downs, and there are times when there is overbuilding or low occupancies and the like. Our financial planning is geared to deal with that situation.

Chairman ROTH. So in others words, you believe that you can handle any necessary payment or anything?

Mr. GOLDEN. I believe I can handle a reasonably bad set of circumstances in our economy.

Chairman ROTH. Senator Eagleton?

Senator EAGLETON. Just to tidy up some parts of the record, Mr. Golden, and then we will have some additional questions, and I think all of this questioning, whether from Senator Roth or me or Senator Gore and later Senator Levin, although it may take a little time and may even be momentarily annoying, I think it will help to make a good record, and I think in the long run, will help you in the exercise of your duties. As you say, the main thing you have in life and the main thing you will leave with life is your reputation,

and it is an excellent reputation. It is a superb reputation, and you want to do nothing either knowingly, unknowingly, unwittingly, accidentally, negligibly or anything to tarnish it. I think that is your perspective, and that is ours.

Now, these 115 partnerships, these are residential investments, right?

Mr. GOLDEN. With the exceptions of the items that I identified in my reports.

Senator EAGLETON. Oh, yes, three identified office buildings. How many—because of my hearing problem and I get diverted—how many partners, roughly, would you have in those 115 partnerships?

Mr. GOLDEN. I have given the number of approximately 350, but——

Senator EAGLETON. 350.

Mr. GOLDEN [continuing]. But I have not looked at a complete list.

Senator EAGLETON. I said roughly. They will change from time to time because partner X might sell his partnership interest to partner Y, right?

Mr. GOLDEN. That's correct.

Senator EAGLETON. And you are going to keep those current? You will be notified when there is a change in partnership?

Mr. GOLDEN. That is correct.

Senator EAGLETON. An appropriate official at GSA will be informed of this so that the new partner goes on the "don't do business" list, so to speak?

Mr. GOLDEN. That's correct.

Senator EAGLETON. Who is going to be the clearinghouse for all of this at GSA?

Mr. GOLDEN. I cannot give the person's name, but the first thing I will do when I get there is make sure that the procedures are in place and that we have a meeting on this whole issue of my recusal. They are designed, and they have the capabilities within the system, or they will shortly, to accomplish everything we want to have done.

Senator EAGLETON. Now, the 25 small business corporations, do they, again, deal with residential property?

Mr. GOLDEN. Yes, they do, and I would say, in the main, and I can't give you the percentage, but it is probably 95 percent are involved in single-family lot development and that for both tax and corporate, other reasons, those are done in the form of a corporation.

Senator EAGLETON. Ninety percent are done as residential single family. What is the other 10 percent?

Mr. GOLDEN. I would have to respond in writing to that one. I'm not sure. I didn't want to say 100 percent were, but there may be some small items there.

Senator EAGLETON. What might they be, commercial?

Mr. GOLDEN. No; they are clearly not anything involved with GSA or areas that would be involved with GSA. My potential exposure is as GSA related to the office buildings I have identified and the public warehousing company, which we have discussed.

Senator EAGLETON. Tell me about the public warehousing distribution setup. What is it? What does it do?

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Mr. GOLDEN. It is called the Trammel Crow Distribution Corp., and I'm a stockholder and was until I left the chairman of the board of that particular company. It is one the largest distribution companies in the country, with facilities in some 13 States around the country.

It is what I would describe as being a public warehouser. I will give you an example. Something like a DuPont or Xerox. They might come to Trammel Crow Distribution Corp. and say, "Rather than our having warehouses all over the country to distribute our products, would you take care of that for us?"

And what we would do is strategically locate, throughout the country, inventories of DuPont and Xerox. Then, based on instruction from DuPont, deliver them to whatever retail chains were involved and where they wanted to have them distributed.

So we would handle the handling, the paperwork, the shipping and the receiving and, in some cases, the local cartage of those particular products.

Senator EAGLETON. Is that a corporation?

Mr. GOLDEN. Yes; it is.

Senator EAGLETON. And you are a shareholder in that?

Mr. GOLDEN. Yes, I am, although I have resigned my position as an officer and a director in that particular enterprise.

Senator EAGLETON. Can you say, without getting into minute details, are you a significant shareholder in it?

Mr. GOLDEN. I own a 10-percent interest in it.

Senator EAGLETON. To your knowledge, has that company ever done any business with GSA?

Mr. GOLDEN. To my knowledge, it has not. I did require of the president whether it has any business with the GSA, and he indicated to me, after having researched the issue, that they did not.

I also received from him a letter indicating that he would not do, the company would not do any business with GSA, and that letter was distributed to all of the subsidiaries and entities comprising the TCDC.

Senator EAGLETON. And the three commercial office buildings. One you said was in Atlanta?

Mr. GOLDEN. One is in Atlanta, and two are in Dallas. One of them is the headquarters for Trammel Crow Distribution Corp. The other is the headquarters for the Trammel Crow residential companies. All three buildings, though, do have some tenants in them that are not Trammel Crow affiliated clients.

Senator EAGLETON. Where is the one that is the distribution company headquarters?

Mr. GOLDEN. It is in Dallas.

Senator EAGLETON. It is in Dallas?

Mr. GOLDEN. Yes.

Senator EAGLETON. It has some tenants?

Mr. GOLDEN. It has, I believe one or two tenants.

Senator EAGLETON. Had GSA ever been a tenant there?

Mr. GOLDEN. No, it has not.

Senator EAGLETON. The other is the headquarters for the Trammell Crow.

Mr. GOLDEN. Residential.

Senator EAGLETON. It is in Dallas, too?

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Mr. GOLDEN. That's correct.

Senator EAGLETON. It has tenants?

Mr. GOLDEN. It will have tenants. It is just nearing completion now.

Senator EAGLETON. It will have tenants. It is not contemplated that GSA will be one of those?

Mr. GOLDEN. That is correct. I have a letter from the managing partner of that particular entity, indicating that they will not have any tenants with GSA. GSA will be instructed the same way, so hopefully, we will cover it in both ways.

Senator EAGLETON. What is the building in Atlanta?

Mr. GOLDEN. It is called Overlook One, and is a commercial office building.

Senator EAGLETON. Is it up and operating?

Mr. GOLDEN. Yes, it is.

Senator EAGLETON. And it has lots of tenants?

Mr. GOLDEN. Yes, it does.

Senator EAGLETON. Is GSA one of them?

Mr. GOLDEN. I have been informed by the managing partner of that that GSA is not.

Senator EAGLETON. And it is not going to be, either.

Mr. GOLDEN. Again, I received a letter from him indicating that they would not lease to GSA, and I will give a copy of that letter and give instructions to GSA not to lease space there.

Senator EAGLETON. OK. Give us copies of that and let's put all those, with unanimous consent, in the record at the appropriate place.[1]

Mr. ROTH. So ordered.

Senator EAGLETON. Up until now, I think the record is good. We will have some more questions, too, but the record is pretty good that these partnerships except for three office buildings, are residential and that your shareholdings in 25 small businesses are residential, and you have 10-percent holding in that public warehousing thing. None of those have had relations with GSA, and none of those will, because we are going to have letters plus a partnership list will be kept current, and so on and so forth.

Now let's get into the area of Trammell Crow itself in a broader sense. You were the manager of the residential division. But of course, Trammell Crow is more than residential. It is big in commercial. Is it fair to say that Trammell Crow's commercial operations are sort of top-of-the-line, prestigious office buildings, high-rent type office buildings?

Mr. GOLDEN. I know that Trammell Crow would like to think they were. [Laughter.]

Senator EAGLETON. But is that their emphasis?

Mr. GOLDEN. Their emphasis is on quality products. I would like to say affordable, but definitely quality.

Senator EAGLETON. Leasing several floors to a major corporation or to a rich bunch of doctors? All doctors are rich. [Laughter.]

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[1] The letters referred to may be found in the committee files.

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Mr. GOLDEN. To characterize it realistically, it is a large commercial real estate company, and it does business with a lot of different people.

Senator EAGLETON. But is it the type, is it building and operating and managing the kind of rental real estate that GSA is looking for?

Mr. GOLDEN. Well, I would say, in all fairness, perhaps, we could do something a little bit cheaper in some cases. But I think from an appearance point of view, and as far as our planning is concerned, the reality is that the Trammell Crow Commercial Co. is in the market of leasing office space and is in the market of leasing warehouse space and other commercial activities. We need to operate under the assumption that they may, at some point, compete on a GSA lease or whatever.

So I think our whole planning is not geared around the assumption that they are just too expensive for GSA, and therefore it is not realistic to assume that there might be an appearance of conflict of interest.

Senator EAGLETON. How are we going to protect ourselves from that appearance? We are involved in commercial. You have friends. You are friends of the Crow family. Indeed, Michael Crow. The grant of the power of attorney is to Michael Crow, is that correct?

Mr. GOLDEN. That is correct. He is a nephew, by the way, of Trammell Crow. Basically, the structure that we have identified is that I have provided a list of all my partners, including members of the Trammell Crow family, and I have agreed to recuse myself from any activities or any leases or any decisions that might involve Trammell Crow, his family, any of my partners, any of the Trammell Crow subsidiaries or affiliates.

So basically, I do not intend to make any decisions that would, in fact, involve the Trammell Crow Commercial Co.

Senator EAGLETON. Anything that has a tinge of Trammell Crow?

Mr. GOLDEN. That is correct.

Senator EAGLETON. If they are seeking any kind of an arrangement with GSA?

Mr. GOLDEN. That is correct.

Senator EAGLETON. You will opt, you will recuse yourself from that and thus, the Deputy Administrator would take over that decision?

Mr. GOLDEN. That is correct. Although I would say at the same time, to put it into perspective, that GSA has hundreds of millions of square feet, and that decisions on leasing, on an individual lease, in many cases, is made in the field, and in most cases doesn't get above the commissioner of the public building service. So from a practical point of view, the Administrator or the Deputy Administrator is not involved with that many day-to-day transactions of that nature.

Senator EAGLETON. But if it were big enough, it might percolate up?

Mr. GOLDEN. That is correct. On that basis, then, what would happen is that the Deputy Administrator would assume responsibility for making that decision.

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Senator EAGLETON. You will appoint the deputy. This is one of these situations where you, the Administrator, appoint the deputy. It is not a statutorily created deputy.

Mr. GOLDEN. That is correct.

Senator EAGLETON. Do you know whom you are going to appoint as deputy?

Mr. GOLDEN. I have a narrow list, yes, but I'm not certain at this point.

Senator EAGLETON. I could see this cutting both ways. It puts a significant burden on that gentleman. I can see a bend over backwards tilt that might work and conceivably be unfair to Trammell Crow.

Mr. GOLDEN. Well.

Senator EAGLETON. Where they say, "Look, my God, Golden has recused himself from this. Trammell Crow is seeking something, bidding on something and if Trammell Crow gets it, the whole public is going to say it was an 'el fixo.' " [Laughter.]

It puts that deputy in a heck of a spot, doesn't it?

Mr. GOLDEN. Let me put this in perspective. Whatever decision is made No. 1, I absolutely do not want to be involved with it. The deputy will be instructed to make the best possible decision for GSA and I trust that I have a deputy who has the capability. I certainly will ensure that he has the character and integrity to make that decision the right way.

I know that from Trammell Crow's perspective—and I don't know how many of you know him—but given the circumstances and the potential risks of conflict and his sense of public duty, he would want to make sure whatever business he did with GSA that it was clearly something that was to the advantage of GSA.

So I know were he here, he probably would express the desire that the deputy make damn sure that was something that was in the best interests of GSA and not just a close call.

Senator EAGLETON. But you and the deputy would know about it, because of the recusal; you have to recuse yourself, right? It is a judgment recusal.

Mr. GOLDEN. My appreciation of it would be that it would not come to my attention.

Senator EAGLETON. That is not the way it works in a court of law. A judge recuses himself because it is brought to his attention that he, the judge, or she, the judge——

Mr. GOLDEN. In this particular circumstance, again, I am not a lawyer. We have had plenty of those here in Washington. But my appreciation of it would be that we have already identified the criteria and that is if it is a Trammell Crow member of his family, if it is one of my former or current partners, if it is a Trammell Crow subsidiary or affiliate, automatically, I have already instructed everyone that I do not want to be involved with that decision.

So it's not something that has to be brought to my attention only for me to say something that I would automatically say anyway.

So under both sets or circumstances, I cannot see that it would be brought to my attention. Were it brought to my attention, I would immediately recuse myself.

Chairman ROTH. Let's make sure that I understand how the recusal works. It is my understanding, as you indicated, that in ordi-

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nary circumstances, where it involved Trammell Crow or any partners or past partner or any subsidiary or affiliate partnership you are affiliated with, that under the recusal, automatically it will go to the deputy and not to your attention.

It is only where there may be some perception that there may be a conflict of interest that you may get involved on a case-by-case basis. At least that is how you generally expect it to work.

Mr. GOLDEN. My expectation is that anything that involved any of those partners would automatically remove me from the decisionmaking process. I don't view that as discretionary or in any way——

Chairman ROTH. No, that is all right.

Mr. GOLDEN [continuing]. Putting me in a situation where I have to make a decision based on the facts. It is clear that if it does involve any of the individuals we have identified that I am automatically out of the decisionmaking process and it is only under other sets of cricumstances. I think that that clause was included, really, not to deal with the Trammell Crow situation, but to deal with the broader issue of appearance of conflict of interest for a public official.

In fact, it is my understanding that that particular last paragraph that you were speaking about is in recusal letters of a number of other presidential appointees.

So I think it is in circumstances other than the Trammell Crow issue, where the issue is fairly clear, in my mind, that the other item where I have to make a judgment myself or have to go and seek counsel and advice on what to do is brought to bear.

Senator EAGLETON. I will just highlight a paragraph from the recusal letter, the second paragraph. This is the Golden letter dated June 18, already placed in the record, I think.

> To that end I shall notify my immediate staff and key officials of such financial interests and direct them to refer all the particular matters to the deputy administer. I shall direct the deputy administer to handle all such matters without reference to, or discussion with, me.

So the way this is structured is if a significant matter is percolating its way up GSA, and it is not a humdrum matter that is decided at a lower level; it is getting up higher in the ranks, and it gets up to the Deputy Administrator and it is Trammell Crow or any of these partners, et cetera, the Deputy Administrator is to decide without even notifying Mr. Golden, and truthfully and honestly, if there is some complaint about it later on, Mr. Golden will be in a position to honestly say and swear, "I didn't know it was there."

Is that it?

Mr. GOLDEN. That is correct.

Senator EAGLETON. Is that the position——

Mr. GOLDEN. That is my understanding.

Senator EAGLETON [continuing]. We are going to be in?

Say for the past 5 years, how much business has Trammell Crow done with GSA?

Mr. GOLDEN. I can't answer that directly. We did make inquiry of Trammell Crow Co., and they did provide a list to Larry Garrett at the White House of their known involvements. In addition, it is my understanding that GSA provided a separate list of their own known involvements with the Trammell Crow companies, if you

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have that available. I did get a copy of the letter sent through me, but knowing what the contents of the material was, I did not look at it.

It was my appreciation, though, having talked to the chief financial officer of the Trammell Crow Co., that GSA has not comprised a significant portion of the Trammell Crow Co.'s business and that their involvements with Government represent less than 1 percent is the statement.

Senator EAGLETON. That is what I am trying to get at. How big is Trammell Crow in the GSA universe?

We have a GSA list of Trammell Crow/GSA-related business that consists of four pages. It is the first time I have ever seen it, with, it looks to me, like about 30 transactions. They go back to 1981; 1983; 1979; several of these are currently in effect; some of them date back as far as 1979 and 1981.

The reason I think it is of some import is that, if Trammell Crow were dealing heavily nationwide with 20–30 percent of their business with GSA, then that is one thing. You have said it is less than 1 percent.

Mr. GOLDEN. It is my appreciation from my discussions with him that it is that.

Senator EAGLETON. Could you ask the Trammell Crow people to do a computer run, if it isn't extraordinarily difficult, just so we have it for the record, for the past 5 years, what their lists show?

Mr. GOLDEN. I believe they have provided a list to the White House. I'm not sure that it is——

Senator EAGLETON. Could it be provided to us, Mr. Chairman, and be made a part of this record? [1]

Chairman ROTH. Yes. We will be happy.

Mr. GOLDEN. I believe they would be happy to provide it. My appreciation of it is that it is a small portion of the Trammell Crow business, less than 1 percent, and my appreciation of the relative magnitudes of Trammell Crow versus GSA is an infinitesimal portion of the GSA business.

Senator EAGLETON. OK. Let me clarify another point.

We have had before the Senate, from time to time, other very successful individuals, and here is what we have done in some of these cases: My bottom line question is going to be, why can't we do something similar in the Golden case?

Mr. Casey, William E. Casey, Director of Central Intelligence Agency. There was some public debate on this situation, but the bottom line was that he established a qualified blind trust in 1981 when be became or after he became director of CIA. Unfortunately, here, I don't have the contents of the blind trust. A portion of it, at least, from memory, was common stocks. He was active in the stock market at one time.

This one we have more complete, Donald Regan, Secretary of the Treasury. He was, of course, Chairman of Merrill-Lynch. So he disqualified himself from acting with any particular matters in the Treasury involving Merrill-Lynch, similar to what is involved in the Golden matter, and several other business entities. From public

[1] The list referred to may be found in the committee files.

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records we know he established a blind trust with respect to his holdings in Merrill-Lynch and other property interests. I'm not snitching on the man. This is in public. The amount of the trust was $9 million and some-odd dollars, and it consisted of Merrill-Lynch common stock, partnership interests in oil, gas and real estates, municipal bonds; et cetera.

So he established a blind trust. Then one I remember going back some years because it was unique—all these cases, in a sense, are unique—was the day of the Packard case. Mr. Packard was a very successful man. He was Deputy Secretary of Defense under President Nixon. He was chief executive of Hewlett-Packard, a big defense contractor, and he had holdings of more than $300 million which he accounted for 30 percent of the company. Divestiture was not a reasonable option because it would have depressed the value of the stock. You couldn't dump all that on the market.

So the committee agreed to allow Packard to place his holdings in a charitable trust for the period of Government service, provided that he did not participate in any Defense Department decisions that might in any way effect the Hewlett-Packard Corp. Again, that is a little similar, making no decisions about Hewlett-Packard, to Mr. Golden and Trammell Crow and GSA.

Just picking those three, and I guess we could go through some more, Mr. Jim Baker and others, Mr. Block; all of these fellows established some kind of trust, albeit charitable or blind; also disqualified themselves from, whether it is Hewlett-Packard decisions or Merrill-Lynch decisions, et cetera.

Why is it that your financial holdings are such that you couldn't pursue the trust route?

Mr. GOLDEN. Let me see if I could, and maybe I will borrow Secretary Regan more often, because I know him and am more familiar with the Treasury. But let me see if I can make some distinctions that are certainly clear in my mind.

No. 1, I think for Secretary Regan, as an example, who has been actively involved with Merrill-Lynch, a major investment banking firm, and who owns a number of stocks and owns a number of oil and gas interests and other items, must operate effectively as a Secretary of the Treasury where he is actively responsible for the Office of the Comptroller of the Currency, for making major banking decisions, for making major decisions related to the financing of the U.S. Government and T-bills and bonds and items of that sort, for making decisions on a daily basis in association with the Congress, of course, related to taxation and the IRS, all of which affect the very fabric of our country and clearly effect the interests with which he has heavy involvement.

For him to put those interests in a blind trust, I think, makes a lot of sense, because I think there is clearly the potential for conflicts to take place. I think the same is true for Mr. Packard, given the fact that he was in a circumstance very similar to the one that you identified earlier, where 30 percent of their business was with Government, and he was with the Department.

Senator EAGLETON. It was a big defense contractor; maybe more. He owned 30 percent of it. Maybe 90 percent of their business was defense, I don't know.

Mr. GOLDEN. Whatever percent it is, it is a material item.

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I see some very strong reasons why individuals such as that should take action and put their assets in a blind trust or silver assets or whatever seems appropriate in that particular circumstance.

In my particular situation, what I am talking about are residential assets, single family lots, apartments, land. With those particular assets, I feel fortunate, because I am probably one of the few people that does not have assets where GSA is not doing a lot of work. They are really not in conflict with what GSA's business is concerned.

GSA is not in the business of renting apartments. It is not in the business of buying single-family lots or buying homes.

So I don't feel the need, under those particular circumstances, to do it. This is the primary reason why I'm concerned about putting them in a blind trust. It is not the management time involved, because I have made arrangements where someone has taken care of the day-to-day affairs associated with my holdings. It is really a question of, at some time, understanding where they are and making sure that there is a place where I can effectively go about and continue to be of service in the Government.

So is is really the ability. I have heard some circumstances where people have come out of Government to discover that there is nothing left in the blind trust. I at least want to know when it is appropriate for me to be leaving Government and tending to my financial affairs.

Senator EAGLETON. I don't want to sound like a nitpicker, but I just want to make sure the record is clear. You have given the power or attorney to Mr. Crow?

Mr. GOLDEN. Yes; I have, and I would also make it clear that I have resigned as an officer and a member of the board of directors in all of the ongoing operations and entities associated with my former life there. So I have taken a number of actions, both from accounting and management and a control point of view as an officer and a member of the board of directors of the ongoing, operating companies.

There are people in place. I was replaced, when I left that company, with a new managing partner, and there are partners in place of those entities who have the day-to-day responsibilities for those assets.

Senator EAGLETON. Under the power of attorney to Mr. Crow, tomorrow, under the power of attorney, could he sell one of these pieces of property if he thought it was a good bargain to do so?

Mr. GOLDEN. That is correct.

Senator EAGLETON. He wouldn't even have to call you up.

Mr. GOLDEN. That's correct.

Senator EAGLETON. During your year at the Treasury, have there been instances where he has disposed of a piece of property without even calling you up?

Mr. GOLDEN. There have been instances, a number of instances where assets were sold, where contracts were signed without my being informed as to what was sold and what the price was.

Senator EAGLETON. So under a power of attorney, Mr. Crow has very broad authority to affect your financial well-being?

Mr. GOLDEN. Yes, sir.

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Senator EAGLETON. And if he were to mess you up, he could mess you up?

Mr. GOLDEN. Yes, sir. [Laughter.]

Senator EAGLETON. What can he do for you, good or bad, under a power of attorney that he couldn't do for you, good or bad, as a trustee under a trust?

Mr. GOLDEN. Nothing. He would have basically the same powers.

Senator EAGLETON. Yet you resist going the trust route that all the others have gone but at the same time, by the power of attorney, you have given him the same power you would have given a trustee had you gone the trustee route?

Mr. GOLDEN. That is correct. The only difference, if I could make the distinction, is the word "blind." That is, I want to have the ability to find out how things are going and to be able to make a call and ask, "How is business?"

The difficulty that you have when it is a blind trust is strictly the word blind.

In the case—and I have heard a couple of grim cases where the person has resigned and discovered that there is nothing left in the trust. I think it is under those circumstances that I really would want to be able to at least understand where things were.

Chairman ROTH. Mr. Golden, we are going to request Senator Levin to return. While we are waiting, let me ask you a couple of other questions. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. GOLDEN. No; I do not.

Chairman ROTH. If you are confirmed, do you agree without reservation to appear and testify before any duly constituted committee of the Congress?

Mr. GOLDEN. Yes; I do.

Chairman ROTH. Senator Eagleton?

Senator EAGLETON. I now move on to the question of litigation, Mr. Golden. Your dominant business activity; namely, real estate, and the form under which Trammell Crow operates, a series of partnerships, both are particularly vulnerable to lawsuits. You realize that, and you realize that we live in a litigious society. How often and in what capacity have you been sued, both professionally and as an officer in a partnership?

Mr. GOLDEN. Let me say this. We did provide a letter which identified litigation that was ongoing related to the companies I was involved with. I don't know what the exact number is. I think my general comment, though, would be that given the magnitude of involvements of the residential companies and my business involvements and the like, the amount of litigation that we have under way is minimal.

Senator EAGLETON. Trammell Crow and these partnerships are involved in some insured lawsuits and the insurance companies take care of it?

Mr. GOLDEN. Yes; that's correct.

Senator EAGLETON. That is out of your domain. That is just taken over by the insurance companies and they handle the litigation; correct?

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Mr. GOLDEN. That's correct.

Senator EAGLETON. As far as we can tell, just so we have it for the record, you are a party in seven uninsured lawsuits, but you have no first-hand knowledge of these cases and you are named only because you are an officer or a general director; is that a fair statement?

Mr. GOLDEN. That's correct.

Senator EAGLETON. Would it also be fair to say most of these uninsured lawsuits are related to real estate or construction activities?

Mr. GOLDEN. That is correct.

Senator EAGLETON. How do you plan to handle claims that are uninsurable?

Mr. GOLDEN. I think like everyone else does: That is to the extent——

Senator EAGLETON. If you lose, pay it.

Mr. GOLDEN. That is, if you lose, you write a check. [Laughter.]

Senator EAGLETON. Have you thought of this? During your tenure as GSA's Administrator, you get sued in one of these things, and a newspaper writes a big head line, "GSA Administrator Sued for X Millions"? Maybe they can make it billions these days, but your name is in the lawsuit along with a bunch of other folks'; Trammell Crow and partners and all that. So some reporter calls your press office and says, "My God, your boss has been sued for x millions", and then you have to start digging around, and it is one of these things where you don't know anything about it and so on and so forth.

Does that present any problems for you?

Mr. GOLDEN. Yes, it does, for me personally. My participation in Government is an experiment for me. That would bother me, and I do run that exposure, and I think I would be less than fair if I didn't say that is a potential circumstance in this world. But I feel comfortable about what actions I have taken as a businessman and am not concerned about the legitimacy of whatever the suit is, that I have conducted myself in the way I feel comfortable with. And I feel comfortable with my partners.

But the press and exposure that results from being in Government related to anything is such that I have just got to live with it like you live with it, and if you are concerned about it or the Governmental Affairs Committee is concerned about it, then I should be concerned about it. If it is a basis on which you think there is a possbility of my doing damage to the GSA or to the President, then I would certainly support whatever decision you made.

Senator EAGLETON. I haven't got an answer for it. I know how lawsuits are brought. I know that in real estate and construction activities lawsuits are brought and name a whole bunch of party defendants.

Mr. GOLDEN. I think the whole world today is; I don't think you leave it to real estate. I think my experience in Treasury is that we are sued for about everything that ever could possibly happen, and I think that is true.

Senator EAGLETON. And sued as a private individual? You already have been sued many times as a private individual?

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Mr. GOLDEN. Yes. I think that for most businessmen, that is the nature of the environment that we live in today.

Senator EAGLETON. I think we ought to have this on the record. There is a judgment that has been awarded in excess of $2 million, am I not correct, involving libel and slander against one of the companies in which you were an officer and a director and in which you remain a general partner. Is that correct?

Mr. GOLDEN. Well, it was against one of the companies in which I had a ownership and was involved with. Would you like me to go into the details of that?

Senator EAGLETON. Is it true that you had no personal knowledge of the facts or circumstances involved in that case?

Mr. GOLDEN. That is correct.

Senator EAGLETON. But nonetheless, as it happens in these things, you were named as a defendant?

Mr. GOLDEN. I'm not certain that I was named as a defendant. I don't believe that I was. I was not named as a defendant. But I did have a financial interest in the company.

Senator EAGLETON. After the suit was filed, did you acquire some subsequent knowledge about it?

Mr. GOLDEN. Yes, I did.

Senator EAGLETON. Since I have raised it, and I think it had to be raised, do you want to give us a little synopsis of it for the record?

Mr. GOLDEN. Let me say just briefly what happened. It involved one of our construction companies in San Antonio. We had one of our subcontractors on a particular job. The superintendent involved was notified by someone in the company who saw that individual subcontractor take some of our properties—actually a load of lumber—off the site, which we owned and which he did not own.

We immediately notified the police and went to this individual's home and the load of lumber was there. We notified the police and terminated his contract. I think the police eventually dropped the case because it couldn't, in my understanding of it—and I want to be careful here—because we couldn't prove that the lumber actually came off our site.

I think the libel suit happened because then later on, one of the employees in the construction company was asked about this particular individual and said that we fired him from the site, and that is the circumstance under which this occurred.

Basically, I was not involved. I wasn't aware of it until we got very heavily into the litigation. In fact, other than knowing that this particular lawsuit was taking place, I didn't pay any attention to it until the results came in.

Senator EAGLETON. You don't think you were named as a defendant in this suit?

Mr. GOLDEN. No, I was not. I just looked back and was informed I was not.

Senator EAGLETON. For illustrative purposes, there may become a premium, then, on suing you. [Laughter.]

No kidding. I mean, a guy can enhance his lawsuit, he thinks, by naming you as a party defendant along with other defendants. It adds some zip and prestige to the suit. It is a worrisome thing.

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Mr. GOLDEN. It is a worrisome thing to me. In fact, I withdrew my association with Trammell Crow, who has a world image. It did, clearly, was an additional risky run. Now that I am being considered, and if I am selected as the Administrator for GSA, it does add some additional appeal to litigation. There is no question about it. But it is a risk I have to run. Whether it is something that I should be making a decision not to run, I don't know myself.

Senator EAGLETON. Moving on to another subject, you have informed the committee staff that the Texas Housing Authority's Multifamily Housing Program is being reviewed by the Texas Attorney General's office to determine whether the agency's apartment bond financing program is meeting the requirements of the Texas Housing Act.

I understand that Chasewood, and that is the company that we just referred to earlier in this lawsuit business, has financed a number of projects through the Texas Housing Authority. Question: Is Chasewood itself under investigation by the Texas Housing Authority?

Mr. GOLDEN. No, it is not. I might add that that information which we provided was about 3 or 4 weeks old, and that since that date, I was notified by an attorney in Dallas, who was following it for me in relationship to this, that on Thursday of last week, the attorney general for the State of Texas met with the board of directors of the housing authority and notified them that they had completed their inquiry and that there was no findings of wrongdoing on the part of the authority or any of the individuals.

Senator EAGLETON. So you don't have any apprehension about anything with respect to this Chasewood operation?

Mr. GOLDEN. No, I don't.

Senator EAGLETON. I have one other area for you, and then I will yield back to the chairman and then ultimately to Senator Levin.

When you and I met during our visit shortly after you were nominated to head GSA, we discussed at some length the matter of the Tilted Arc. It is a sculpture by Richard Serra, located in the Federal Plaza in New York City. For some of my colleagues who haven't followed this matter, the Tilted Arc has become a cause celebre in the art world, and GSA gets involved because the sculptor was commissioned and paid for through the Art and Architecture Program, which is run by the GSA.

Unfortunately, after this 120-foot-long, 12-foot-high steel sculpture was erected in the plaza of the Federal buildings up there in New York in 1981, some of the workers in the building and some members of the community decided they didn't like it and wanted it torn down.

Then the proponents of the arc argued that both artistic freedom and integrity, as well as GSA contractual commitments, require that the sculpture remain. Bringing it a little closer in time, on May 31, just a couple of weeks ago, Dwight Ink, the Acting Administrator of GSA, made a decision on Tilted Arc. I personally had hoped that he would defer any action until your confirmation, but I gather you will become involved in this matter anyway, and thus I have a few questions.

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I understand the National Endowment for the Arts will appoint a panel to consider whether an appropriate site can be found for relocation of the aforementioned sculpture, Tilted Arc.

Does GSA have representatives on this panel?

Mr. GOLDEN. I have not read the specific directions and instructions, so I can't answer that question.

Senator EAGLETON. Will GSA seek to have representation on the panel, or will they let the panel be sculpture neutral?

Mr. GOLDEN. Mr. Senator, let me say I will have to look into that matter when I get to GSA. I would, though, like to make a statement, though, about Tilted Arc and at least my feelings about it.

Senator EAGLETON. Sure, go ahead.

Mr. GOLDEN. No. 1, I want to say I am a very strong supporter and advocate of the Art in Architecture Program. As a result of that program and GSA's conduct of it, we have had some 250 sculptures spread throughout the United States that would not have been there had it not been for the program.

I think a number of lives have been enriched by the opportunity to see that sculpture. Included is the Calder in Chicago, which I know that the people of Chicago would kill to keep there. There is Von Schlegall's Voyage of Ulysses in Philadelphia that I think is a beautiful work of art. I am very supportive of the program.

I think, though, that we must all recognize that controversy is a definite part of art and that there will always be controversy associated with the program.

What is unpopular today could be at the center of art tomorrow. I think of several examples that come to mind. I know one of Rodin's most famous works, Balzac, was hooted. I think if you had to ask the people of France in the late 1800's whether they liked it, 99 percent of them would have said no, and yet today, it is recognized as being one of his greatest works.

Du Buffet trees that Rockefeller put in the Chase Manhattan Plaza is another good example of something that was hooted in New York at the time.

A little closer to home in Dallas, in front of city hall, we had a Henry Moore sculpture that was a subject of controversy for a long time. I think that every citizen in Dallas would go up in arms if someone now came and removed that particular piece of sculpture.

So from my perspective, I am a very strong supporter of art, and GSA has a role in it, and it will continue if I am elected. I would also like to say at the same time, though, that there are some circumstances under which maybe a particular sculpture is not right for a location. It may justify being removed, and I think an example of where you have an open area or a green space, in an area where there isn't much green space or open area and where the sculpture is more than a sculpture, but a block to interfering with that particular plaza. That might be a circumstance under which you might make a decision.

I don't think it makes sense to have a vote and that if 60 percent are in favor of removal and 40 aren't, it justifies removal. I think art is a very difficult thing to be democratic about once it is in place. I do think that there may be some unusual circumstances where a sculpture might be removed.

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Senator EAGLETON. You haven't given a full answer in a sense. You have pointed out instances in art history where work of art, to use your word, were hooted, denounced, decried. They have now taken on great support with the passage of time. This Serra work is so condemned. It is much praised, by the way, by many people, that like it with a great intensity. So it is a mixed bag.

What role are you going to play in this matter? Here is Mr. Ink's decision of 2 weeks ago. You are going to be there, maybe, in a few days or weeks. What are you going to do?

Mr. GOLDEN. Basically, I have not been involved in GSA or involved in the decision that was made to date. My whole intent would be once I get to GSA to spend a lot of time reviewing the circumstances of Tiled Arc and to talk to the experts and the people involved in the decision and get as informed as I can, and then make whatever judgments I think are appropriate at that time. It is difficult for me here today to really prejudge what I can do and what I will do at that time.

Senator EAGLETON. Will you rely heavily on the National Endowment for the Arts?

Mr. GOLDEN. I think that they have served a great purpose in this program and have been a key element of the success of the Art in Architecture Program. I think all of us in the Federal sector recognize that it is important to get some qualified people and to get the support of both the local community and the art community as represented by the National Endowment for the Arts.

So I think their role and involvement is an important one.

Senator EAGLETON. And will you let them function independently and objectively without trying to influence their decision or their advice?

Mr. GOLDEN. I will let them participate. I don't know exactly what has been set up, so I hear you asking me to make a commitment on something. I have to say, I'm not certain what the facts are and what has been put in place and am unable to respond.

Senator EAGLETON. We are not sure, either, but my purpose in asking is this: If the National Endowment of the Arts is going to play a role in this, giving its advice about the situation, what ought to be done, what might be done, then it would seem to me that their advice ought to be free and unencumbered vis-a-vis advice that is somehow tilted, intimidated and not pro-Tilted Arc.

Mr. GOLDEN. We certainly ought to hear the clear opinion of the National Endowment of the Arts. I think they have a role to play, and we should hear it and not filter it.

Senator EAGLETON. We have other questions, for the record on this Tilted Arc matter which we would like to get you to answer for written response.

We have some other questions for you relating to the Federal Government owning office space versus leasing office space, which we will also ask for in writing for the record, if we may, Mr. Chairman.

Finally, Senator Gore asked me to ask this question verbally. This is from Senator Gore:

> Have you ever heard of something called "secret headquarters organization plan from GSA"? Supposedly, this plan spells out plans to cut GSA from 25,000 employees down to 6,000 employees. Have you heard of any such plans?

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Mr. GOLDEN. No, I haven't. [Laughter.]

It will be interesting reading, though, when I get that. [Laughter.]

Senator EAGLETON. Thank you, Mr. Chairman.

Chairman ROTH. Thank you.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman. First of all, let me say, Mr. Golden, that from everything I know of you, you are a person of great integrity, and I hope that people like you, with that record and reputation, will hopefully continue to be able to work for the Government and seek to work for the Government.

Having said that, I think it is also important that we protect the credibility of government by looking very carefully at the conflict and the appearance of conflict issue. That is what I am going to focus on, because I am troubled by the resolution of this matter.

I'm not satisfied that we are addressing this conflict of interest issue in a way that we are going to be comfortable with in the future as a precedent. I know that we have allowed this recusal in the past. I would like to ask the OGE that question.

If we could ask the Office of Government Ethics for a precedent for this kind of a proposal where we do not have a blind trust, and instead, have this rather elaborate recusal approach. It did not work with Mr. Casey, I can assure you. I was right in the middle of that one. He had an elaborate recusal program in which any of his deputies would look out for companies which Mr. Casey might have stock or an interest in relative to the CIA, and he would be notified. It broke down and didn't work very well. We finally urged him to put his holdings in a blind trust, and he finally did that. He started with a recusal agreement.

I think you are familiar with some of the problems that the recusal agreement created or didn't solve, to put it more accurately.

So I am leery about these recusal agreements where you are dealing with hundreds of people who you are partners with; you are dealing with hundreds of pieces of paper that come across your desk in a period of a week, I presume; and how someone is supposed to figure out whether or not partners of yours have interests in any of the business that come across your desk which might not even disclose the name of the principal is a mystery to me.

Mr. GOLDEN. Can I make some clarifications?

Senator LEVIN. Sure.

Mr. GOLDEN. If you are concerned, I don't think the blind trust really is going to provide me any comfort in that regard. The situation that we are talking about, assets that are not going to be in the blind trust that are going to be in what I would call the equivalent of a trust agreement, with the limited items that we have identified and we have taken care of those in a different way, are residential assets.

Senator LEVIN. I understand.

Mr. GOLDEN. So from a practical point of view, unlike the case of Casey, where he might have been doing business with a major company in which he has a significant interest GSA just doesn't do residential business.

Senator LEVIN. I understand that. I am talking about a different problem, that is where a partner of yours does business with GSA.

Mr. GOLDEN. My point there would be that if those assets that I have are in a blind trust, we still have to deal with those issues of GSA doing business with a partner through a recusal. Putting my residential assets in a blind trust doesn't in any way lessen the difficulty or the problems I have dealing with a Trammell Crow partner who owns an asset, an office building, elsewhere.

Senator LEVIN. Unless you don't know whether the blind trust continues to hold that interest.

Mr. GOLDEN. No; what I am saying is that the blind trust that I would have would only own, with a few exceptions, we have identified, residential real estate.

Senator LEVIN. Let me start over. If you put your properties in a real blind trust, they would have the right to sell that interest.

Mr. GOLDEN. Correct.

Senator LEVIN. You would not know whether or not that trust continues to hold that interest and whether or not these people are still your partners.

Mr. GOLDEN. But my point would be that in any case, we would have to maintain a list of who they are, who my partners have been. The major difficulty and the major point of concern is not my residential partners; it is really the Trammell Crow and the Trammell Crow family and their involvements elsewhere. That is what we are really trying to deal with.

Senator LEVIN. You are looking at the conflict of interest. I am very much concerned with the appearance of the conflict of interest, as well. If a current partner of yours is in business and does business with GSA, it is a problem. How are you going to get around that? You have got 300 partners. I don't know how many entities they participate in or belong to, maybe thousands for that matter, I don't know, but it could be hundreds in addition to the 300.

If you have hundreds and hundreds and hundreds of entities which you have got to try to keep track of, No. 1, that is a lot of staff time. It is a tremendous amount of staff time. I don't care about "there is a computer which can link." You have got to put all of your appointments and all of the paper which comes across your desk, which could be hundreds of decisions a week, and you have got to match that with some computer list of some 300 partners and all the entities that they might have an interest in.

So it is a complicated, time-consuming issue. Once you have got it into a computer, it takes the computer a second. Putting all the paper that comes across your desk into that computer to match it against the names of all your current partners and the entities in which they participate is not an easy solution, let me assure you.

If you did put it in a blind trust, you would not know whether the trust continues to own anything, and you would not have to recuse yourself in that way.

Mr. GOLDEN. I'm not sure I agree with that point. It seems to me that I have the same problem. As far as GSA is concerned, they are still going to have a list of 300 people that they are going to have to blend in against who they are doing business with.

Senator LEVIN. Say you sold all your interests. Do you think you would still have a recusal problem?

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Mr. GOLDEN. I don't know. I would guess from my point of view, given my past affiliations with Trammell Crow and my partners, I wouldn't want to be doing business, making decisions on Trammell Crow leases.

Senator LEVIN. That is fine. Trammell Crow leases is easy. That is one name.

Mr. GOLDEN. I am saying including in that category my partners and the like.

Senator LEVIN. I would disagree with you. If you have divested yourself of all your interests and had no more financial interests in any partnership, I would think it is a lot easier to judge when it comes to the appearance of a conflict.

Mr. GOLDEN. I would agree that it would be.

Senator LEVIN. Your letter says that,

> Recognizing that a partner of mine might have a financial interest in an entity extrinsic to our partnership that could seek to do business with the GSA, I shall notify my key officials of the identity of each of my own partners.

I would presume you would add to that letter, "and the entities that they might have an interest in."

Mr. GOLDEN. My intent had been to provide a list of the known partners and that my understanding is that GSA maintains a list of the people that that they are doing business with.

Senator LEVIN. They would not necessarily know all of the entities that your partners have interests in, unless you told them that. They deal with a corporation and an agent for that corporation or a president or whatever. They don't know whether or not one of those 300 people is a stockholder in that corporation.

Mr. GOLDEN. I can't respond to that. It seems to me you run that same circumstance with someone owning Atlantic Richfield or another corporation.

Senator LEVIN. That is exactly why there is a blind trust. You put your finger right on it.

You say in this letter,

> Recognizing that a partner of mine might have a financial interest in an entity extrinsic to our partnership that could seek to do business with the GSA, I shall notify my key officials of the identity of each of my own partners.

My question is, Is it not logical from the first part of that sentence to also notify the GSA of the entities extrinsic to the partnership that those partners have a financial interest in?

Mr. GOLDEN. I think as it relates to the principal areas of concern, the Trammel Crow Co., and the Trammel Crow group of companies, in addition to having the partners individually, those entities do business as the Trammel Crow Co., or the Trammel Crow Residential Co., so those names are available. The commercial side of Trammel Crow, the area where I have my major exposure, does business as Trammell Crow Co.

Senator LEVIN. Referring again to your letter, when you say that a partner of yours might have a financial interest in an entity extrinsic to our partnership, were you referring to Trammel Crow-related entities only?

Mr. GOLDEN. I was referring to any of my partners and any interests that they might have.

Senator LEVIN. Whether it is a Trammel Crow interest or not?

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Mr. GOLDEN. Correct.

Senator LEVIN. Now I will ask my question again. Your partners, 300 of them, let's say, or 200 or 500, whatever the number is, could have financial interests in many, many entities other than Trammell Crow-related entities.

They are still your partners. Are you going to notify the GSA, as you implied in this letter, of all of the entities extrinsic to the Trammell Crow-related partnerships that your partners have interest in?

Mr. GOLDEN. I would have to look into it. I'm not sure I can respond to that right here.

Senator LEVIN. That is the implication in your letter.

Mr. GOLDEN. I would just have to look at that and work with everyone to get it resolved.

Senator LEVIN. That gets us into the recusal issue. Then if a current partner of yourself got an interest in a company that does business with GSA and GSA doesn't know of that interest, it looks bad.

Because then GSA is benefiting a company that the partner of yours owns, or partly owns. There is an appearance problem there. I know that if you find out about it you will say, "God forbid, recuse me."

That is not the issue.

Mr. GOLDEN. My point is that if I find out about it, then I'm involved; then I will recuse myself.

Senator LEVIN. Of course.

Mr. GOLDEN. If GSA makes a decision and they are not aware of it and I'm not aware of it, then there shouldn't be a conflict.

Senator LEVIN. You are wrong. There is an appearance of conflict. That is the problem. It is an appearance of a conflict if GSA benefits your partner, whether you knew about it or not. Then it becomes a question of proof. Did he know about it? Did his assistant want to benefit him without his knowledge?

The appearance issue here is a critical issue in terms of credibility in government.

I know you are sensitive to this. I have spoken with you. I can tell from your testimony, your demeanor. You are a very reassuring guy to me in terms of your sensitivity to the questions of integrity. The last thing I wanted to suggest here is that you would not be sensitive to these issues. I think you are.

The integrity problem and the real conflict problem I think you can take care of very well. From everything I have seen, I don't have, frankly, any doubt about that at all. I am worried about the appearance question, because we get it all the time in government, and it undermines credibility where it exists. The Executive order and other law says that the appearance of conflict of interest is also a violation of ethical standards, not just a real conflict. I am worried that if you don't have a blind trust or don't divest yourself of holdings, possibly you are going to be faced down the road with GSA benefiting your partners, not in a Trammell Crow related area, necessarily, but in some other area. That troubles me.

I would like to ask the Office of Government Ethics whether there is any precedent for what you are proposing here. I know they approved it. I read their letter. I would like to know whether

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there is any precedent for this. I am troubled by the appearance issue here. I guess unless you have something to add to this, I will just leave that subject and go on to a different one or a related one.

I am troubled by that. The failure to divest here or to have a blind trust here, it seems to me, may create an appearance problem or may create a precedent in other cases, which we are not going to want to follow.

By the way, I was intrigued by your questionnaire, and this is at page 5. The question is: "Will you sever all connections with your present business associations if you are confirmed by the Senate?"

I left out a few words which aren't relevant. Your answer is yes. I am curious as to whether or not that, in fact, is accurate. Aren't you going to maintain your present connections? Aren't you going to maintain your connections, under your proposal, with your present business associations?

Mr. GOLDEN. I guess the way I interpreted the question—and I may have misspoken there—was, "Am I going to resign from the entities that I am involved with as an officer or a member of the board of directors?" and that is the way I answered that question.

Now, it was in the context of a series of questions, I think, that related to that particular area: What I am doing and what my relationships are going to be and how I'm structured, I feel like I have adequately disclosed to the committee and that it has been a subject of discussion, so I don't——

Senator LEVIN. There is obviously no intent to hide anything.

Mr. GOLDEN. There is no intent to hide anything. I thought I was answering one question when I read it. So it is not——

Senator LEVIN. I would look back at that question and decide whether you want to modify the answer to that question just so the record is accurate, not that you tried to hide anything.

Mr. GOLDEN. That would be fine. I will do that.

[A letter subsequently received from Mr. Golden follows:]

JUNE 21, 1985.

DEAR MS. FOX: During my nomination hearing, Senator Levin requested that I review page 5, question B-1 of my Biographical and Financial Information Form to see if any clarifications are required.

When asked, "Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate," I responded yes. I did so because the section referred to was a section on employment and I was no longer employed by the Crow companies and had no employment relationship with my former employer. This response was reviewed with the White House counsel prior to its submission and they agreed with this interpretation. I have reviewed this matter again with them and they continue to believe that this interpretation is correct.

Senator Levin is correct in that I do continue to own stock and real estate in which my former employers are also owners. This information is spelled out elsewhere in the forms provided to the Committee.

If you feel that any additional information is required, please let me know.

Sincerely,

TERENCE C. GOLDEN.

Senator LEVIN. I think my turn is over. I have a few more questions.

Chairman ROTH. Why don't you proceed, Senator, because we are trying to conclude.

Senator LEVIN. Also I will have some for the record, including some questions for the Office of Government Ethics. If we could get

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the leave of the Chair to address questions to the OGE, as well, in this matter, I would like to do that through the Chair for the record.

Chairman ROTH. I would want to see the questions first, of course.

Senator LEVIN. Oh, sure. I would submit them to the Chair, but I would like the right, at least, to expect that the questions are relevant, that we could propound to the OGE some questions relative to this nomination and the precedential aspect of it and the precedent for it.

Senator EAGLETON. I think that is important, if I may comment on that point, because based on our examination, and I inquired of a few cases while the Senator was gone—the Casey case, the Packard case and the Don Regan case. There are others. We just picked those out.

As far as we can tell, I think this ought to be part of the questioning of the Office of Government Ethics; this will be the first recusal case.

Senator LEVIN. I think they approved the Casey recusal.

Senator EAGLETON. Well, Casey started out recusal but ended up trust.

Senator LEVIN. Yes.

Senator EAGLETON. The Casey case, as completed, ended up as a trust.

Senator LEVIN. Yes.

Senator EAGLETON. This would be the first one where we have gone the straight recusal route. I, too, like the Senator from Michigan, have enormous confidence in Mr. Golden. I think it is great we are finally going to have an Administrator there that will know how to run the thing. As he has emphasized, the appearance question is a problem. I went into some questioning with him on the possibility that he might be a party defendant in some lawsuits over which he has no control. Then we set a precedent.

So those things worry me, as well. I just wanted you to understand that.

Senator LEVIN. Did any of your partnerships do business with the Government, such as FHA, or are they all conventionally financed?

Mr. GOLDEN. No; they do. Several of the entities that I was involved with were in the homebuilding business and they financed through FHA or get FHA approvals of their projects and——

Senator LEVIN. You are going to continue to own, under your approach, an interest in these partnerships?

Mr. GOLDEN. As far as the ongoing homebuilding companies, I have declined as an officer, and I believe I have sold my interest in the ongoing homebuilding companies, as well.

Senator LEVIN. Let's take an existing company; the homes are finished, the subdivision or apartment house or whatever it is is completed, and now there is an application to FHA to rework the deal. I don't know the technical word for that, but to refinance. One of them is in default, let us say, an FHA commitment.

Is there any ongoing FHA business with the companies?

Mr. GOLDEN. I'm not sure we are talking about the same thing. The homebuilding companies are doing business with the Govern-

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ment, so the answer to that is yes. I think all of us in business knew that.

As far as FHA is concerned, what we have done in the past, when asked for a specific circumstance, is given FHA an approval of a home so that the loan qualifies for FHA financing

Senator LEVIN. I am talking about an apartment that continues to be financed by FHA?

Mr. GOLDEN. We don't have any apartments that are financed. I have not been involved in any Government-funded projects.

Senator LEVIN. Apartment projects?

Mr. GOLDEN. Apartment projects.

Senator LEVIN. So that none of the entities that you would continue to hold an interest in have any ongoing FHA financing?

Mr. GOLDEN. Right. We have not borrowed any money from HUD or any Federal source, to the best of my knowledge.

Senator LEVIN. Am I stating it right that none of the entities in which you would continue to have an interest have any existing Government financing?

Mr. GOLDEN. To the best of my knowledge, that's correct.

Senator LEVIN. Correct.

That is all I have Thank you, Mr. Chairman.

Chairman ROTH. Thank you, Senator Levin. We would appreciate it if you would submit those questions for the Office of Government Ethics.

[The letter of recusal and the questions referred to and the responses by the Office of Government Ethics follow:]

JUNE 20, 1985.

Mr. DAVID H. MARTIN,
Director, Office of Government Ethics, Washington, DC.

DEAR MR. MARTIN: As you know, the Senate is currently considering the nomination of Terence C. Golden to serve as Administrator of the General Services Administration. Because of Mr. Golden's extensive financial holdings, concern has been expressed by certain members of this committee over the ability of Mr. Golden to avoid future conflicts of interest or the appearance of a conflicts of interest. You are familiar with Mr. Golden's proposal for recusing himself from transactions involving his holdings or his partners, and we have your letter stating your approval of this process. We would like, however, your answer to the following questions on this subject for the committee record.

(1) Is there precedence for the recusal process proposed by Mr. Golden with previous nominees for Presidential appointments which have been reviewed and approved by your office? If so, please list those individuals and the nature of their recusal arrangements.

(2) Would Mr. Golden be eligible for a qualified blind trust under the Ethics Act? Does the fact that Mr. Golden's holdings are in real estate affect the availability to him of a qualified blind trust? If so, in what way and why? Would a qualified blind trust eliminate the need for the proposed recusal process? If not, why not? Would a qualified blind trust in this situation provide more protection against the possibility of a conflict of interest than the recusal process would? If not, why not?

(3) Mr. Golden has established an arrangement whereby he has given power of attorney over his holdings to an associate of his, Michael Crow. Are you aware of the details of this arrangement? Assuming you are, how does this arrangement differ from a qualified blind trust? Is the power of attorney arrangement a necessary part of Mr. Golden's effort to meet the requirements of the ethics laws?

In addition, we would ask you to review and comment on the recusal letter signed by Mr. Golden on June 18, 1985, a copy of which is enclosed.

Since the Committee is eager to take action on Mr. Golden's nomination as soon as possible, I would ask that you respond in writing by Friday, June 21, 1985. Please direct your response to the Committee Clerk, Terry Jolly, Dirksen Senate Office Building, Room 342.

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Thank you for your assistance in this matter.

Sincerely,

WILLIAM V. ROTH, Jr.,
Chairman.

Enclosure.

JUNE 18, 1985.

DEAR MR. CHAIRMAN: If I am appointed Administrator of General Services Administration I undertake to disqualify myself from participating, in my official capacity, in any particular matter that could affect, or reasonably appear to affect, my private financial interests or those of my immediate family and members of my household.

To that end, I shall notify my immediate staff and key officials of such financial interests and direct them to refer all such particular matters to the Deputy Administrator. I shall direct the Deputy Administrator to handle all such matters without reference to, or discussion with, me.

Recognizing that a partner of mine might have a financial interest in an entity extrinsic to our partnership that could seek to do business with the General Services Administration, I shall notify my key officials of the identity each of my known partners so that I may likewise be excluded from knowledge of, and participation in, a particular matter involving such partner. Accordingly, I will recuse myself from participating in any particular matter in which the Trammell Crow group or its subsidiaries or affiliates has a financial interest.

In addition, there may be other matters before GSA now or in the future, in which an entity with which I was formerly affiliated may have an interest. It is my understanding that, if I have no continuing financial interest in these entities, applicable statutues would not require recusal in matters of this kind; nevertheless, I may decide, on a case by case basis, to recuse myself from participation in certain of these matters to avoid any appearance of impropriety or conflict of interest. These decisions would depend on such considerations as the nature of the matter itself and the extent and circumstances both of my prior partnership affiliation to the entity involved, and of that entity's interest in the matter in question.

Sincerely,

TERENCE C. GOLDEN.

OFFICE OF PERSONNEL MANAGEMENT,
OFFICE OF GOVERNMENT ETHICS,
Washington, DC, June 21, 1985.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter of June 20, 1985, with respect to the nomination of Terence C. Golden to serve as Administrator of the General Services Administration. The answers to your questions follow:

1. Recusal is the most typical mechanism for assuring compliance with applicable laws and regulations to conflicts of interest and standards of conduct. While as a general rule every Executive branch official is expected to refrain from official actions which might affect or involve his or her private financial interests, in recent years the use of formal recusal agreements has become commonplace. Indeed, the efficacy and importance of such agreements has been highlighted by the Congress through the enactment in 1983 of Public Law 98-150, which among other things added new section 211 to the Ethics in Government Act of 1978 (relating to notice of actions taken to comply with ethics agreements). It can be seen by its wording that this provision is anticipated to have its principal utility in the context of formal recusal agreements.

You have asked, in effect, for a general cataloging of recusal agreements. However, the file system maintained by the Office of Government Ethics indexes records in terms of officials and positions, not the remedies employed in particular cases. Thus, a complete cataloging or statistical analysis of the use of various statutory mechanisms to assure compliance with applicable laws and regulations would not be possible without an extensive manual search by our professional staff.

The contexts of individual situations and the relationships of private interests to the array of applicable statutes and regulations present factors, both subtle and complex, making analogies and generalizations quite difficult. However, as examples of situations within the Executive branch in which recusal agreements were felt efficacious to assure compliance with applicable laws and regulations by this Office as well as the Congressional committees with jurisdiction over their nominations, we

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note the cases of Deputy Secretary of Defense Taft, former Deputy Attorney General Dinkins, General Counsel of the Department of Defense Cox, former Assistant Attorney General for the Antitrust Division McGrath, and former Administrator of the Environmental Protection Agency Ruckelshaus. Of course, their files as well as the other files we maintain are available for examination by staff members of the Committee.

2. Mr. Golden is eligible for a Qualified Blind Trust. However, under the statutory rules governing the utilization of such a trust, each asset which would be placed into the trust by Mr. Golden would be still considered his financial interest for purposes of 18 U.S.C. 208 and all other laws and regulations relating to conflicts of interest and standards of conduct until such time as there might be notification by the trustee that a particular asset has been disposed of, or has a value of less than $1,000. We deem such notifications to be unlikely in Mr. Golden's case because of the essentially static nature of his holdings. True blindness would occur in the case of a Qualified Blind Trust only as to the assets subsequently purchased by the trustee in secret on roll-overs of the trust's original holdings.

Mr. Golden would not be eligible for the so-called Qualified Diversified Trust. This type of statutory trust, which does give immediate protection from otherwise applicable laws and regulations relating to conflicts of interests and standards of conduct—even as to the original assets, requires that the original holdings be a liquid portfolio of readily marketable securities which are generally dispersed among individual entities and economic sectors.

This Office has no preference for the establishment of a Qualified Blind Trust in situations such as that of Mr. Golden since, in terms of the applicable laws and regulations which are within our purview, such a trust would not have efficacy. This type of trust is generally useful in situations where there is expected to be some substantive turn-over of the original assets to be placed in the trust's portfolio, when the original portfolio is largely cash or the equivalent, or to serve as the recipient of a funding stream from other interests.

Accordingly, we must conclude that if Mr. Golden were to place his assets within a Qualified Blind Trust, it would in no manner eliminate or diminish the need for his recusal or afford any additional assurance of compliance with applicable laws and regulations.

3. This Office did not have prior knowledge of the power of attorney arrangement. We have now examined it in order to fully respond to your letter. Unlike a qualified trust certified pursuant to statute, the power of attorney arrangement has no effect under Federal law as an insulation from conflicts concerns. It is therefore not a necessity for Mr. Golden to have such a power of attorney in order to meet the requirements of the Ethics laws. Apparently, however, it may serve to relieve Mr. Golden from some perfunctory chores.

We have reviewed Mr. Golden's recusal letter of June 18, 1985. In our opinion it meets applicable standards for such recusals pursuant to the Ethics in Government Act and the regulations thereunder. Subject to its fulfillment, this agreement, as stated in my letter of April 15, 1985, assures compliance with applicable laws and regulations relating to conflicts of interest and standards of conduct.

Sincerely,

DAVID H. MARTIN, *Director.*

Chairman ROTH. Senator Eagleton, do you have any more questions?

Senator EAGLETON. We may have a loose end or two for the record. If we do, we will submit them.

Chairman ROTH. Sure.

I also have some questions for Senator Stafford that we will submit to you for the record.

Let me just ask a couple of questions that have come up.

On your power of attorney, I gather that lasts for only 1 year. Do you intend to extend it?

Mr. GOLDEN. It would be my intention to extend it, yes.

Chairman ROTH. And then for any transaction exceeding $1,000, Michael Crow must get approval of you or your CPA. Will these be extensive?

Mr. GOLDEN. No. Really, the intention in that regard is really to have my CPA involved as kind of a check and countercheck, as we

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have two signatures on most of our checks. This way, it gives the ability for my controller to participate in the decision and be aware of what is happening. That is the intent of the purpose of that provision.

Chairman ROTH. Without objection, a copy of the power of attorney will be made a part of the record.[1]

I think that concludes the questions we have for you.

Again, I want to say that I am appreciative of your frankness today. I think we are fortunate in having people of your background and experience interested in serving in Government. We are all interested in trying to provide the kind of agreement that will eliminate conflicts of interest and go as far as we can to eliminate appearances of conflict.

So we will be happy to submit the questions, appropriate questions to the Office of Government Ethics.

I just have to say that I have some reservations even about blind trusts, that they are not foolproof either, nor do I think they necessarily answer all appearances. I'm not sure that we can really develop any kind of an approach that is going to eliminate all potential questions. But we do want to reduce that to the maximum extent we can.

I think that a man of your background and experience in this kind of job can be critically important, that you can make some major reform, changes in that office. I think your service in that capacity is not only important from the standpoint of the job you do in the immediate circumstances but in attracting people of great background and experience in the future for other offices. I frankly have been concerned that too often, we have not been able to get qualified people for many of the key jobs because of the difficulty of serving in public life.

So I congratulate you, and I particularly congratulate Matthew for his background answers. Thank you very much.

Mr. GOLDEN. Thank you very much.

Chairman ROTH. The committee is in recess.

[Whereupon, at 12:30 p.m. the committee recessed, to reconvene subject to the call of the Chair.]

[1] The power of attorney may be found in the committee files.

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